

COUNTY OF INDIANA, PENNSYLVANIA

INDIANA, PENNSYLVANIA

**FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

COUNTY OF INDIANA, PENNSYLVANIA
YEAR ENDED DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

County Commissioners
County of Indiana
Indiana, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the COUNTY OF INDIANA, PENNSYLVANIA, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the COUNTY OF INDIANA, PENNSYLVANIA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the aggregate discretely presented component units financial statements of Highridge Water Authority or Indiana County Municipal Services Authority, whose statements reflect total assets, net position, and revenues comprising 100% of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for them, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of Highridge Water Authority and the financial statements of the Communities at Indian Haven, Inc. were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the COUNTY OF INDIANA, PENNSYLVANIA, as of December 31, 2020, and the respective changes in the financial position the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Adoption of GASB Statements

As described in Note 1 to the financial statements, in 2020 the County adopted the provisions of Governmental Accounting Standards Board Statement No. 84, "*Fiduciary Activities*", Statement No. 90, "*Majority Equity Interests (an Amendment of GASB Statements No. 14 and No. 61)*" and certain provisions of Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*". Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the net pension liability and related ratios, schedule of employer contributions- last 10 years, schedule of investment returns, and budgetary comparison – general fund information on pages 4 through 16 and 63 through 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the COUNTY OF INDIANA, PENNSYLVANIA's basic financial statements. The combining and individual nonmajor fund financial statements and combining discretely presented component units financial statements on pages 68 through 81 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and combining discretely presented component units financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2021 on our consideration of the COUNTY OF INDIANA, PENNSYLVANIA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the score of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering COUNTY OF INDIANA, PENNSYLVANIA's internal control over financial reporting and compliance.

Zelenkofske Axlerod LLC

ZELENKOFSCHE AXELROD LLC

November 1, 2021
Pittsburgh, Pennsylvania

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

The COUNTY OF INDIANA, hereafter referred to as the "COUNTY", is pleased to present its financial statements developed in compliance with Statement of Governmental Accounting Standard No. 34, entitled "Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments (hereafter "GASB 34"), and related standards. GASB 34 enhances information provided to the users of its financial statements. This section of the financial reporting package presents our discussion and analysis of the COUNTY's financial performance during the year that ended on December 31, 2020. Please read this Management Discussion and Analysis in conjunction with the COUNTY's financial statements that follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of the following four parts:

- Management's discussion and analysis (this section)
- Basic financial statements (including notes)
- Required supplementary information
- Other supplementary information

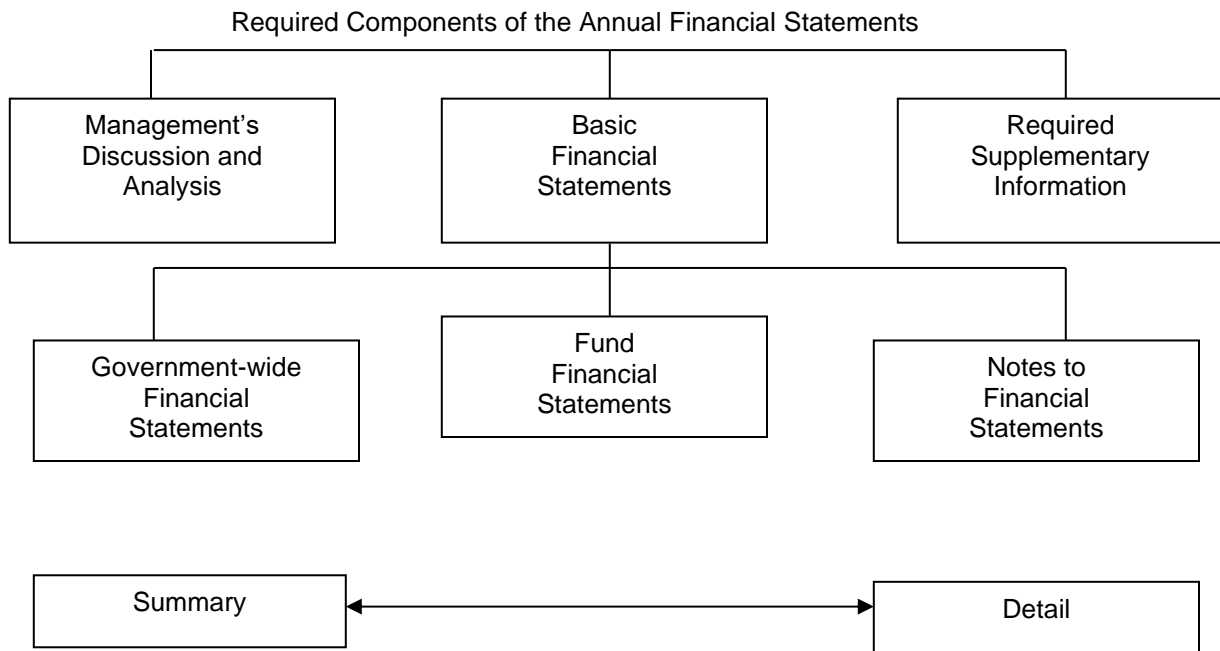
Management's discussion and analysis is a guide to reading the financial statements and provides related information to help the reader to better understand the COUNTY's government. The basic financial statements include notes that provide additional information essential to a full understanding of the financial data provided in the government-wide and fund financial statements. Required supplementary information is provided on the COUNTY's budget to actual figures for the general fund, schedule of changes in the net pension liability and related ratios, schedule of employer contributions- last 10 years and schedule of investment returns.

The basic financial statements present two different views of the COUNTY.

- *Government-wide financial statements*, the first two statements, provide information about the COUNTY's overall financial status as well as the financial status of the County's component units.
- *Fund financial statements*, the remaining statements, focus on individual parts of the COUNTY's government. They provide more detail on operations than the government-wide statements. There are three types of fund financial statements:
 - *Governmental funds statements* show how general government services such as public safety, human services, public works, culture and recreation, and conservation and development are financed in the short term, as well as what remains for future spending.
 - *Proprietary fund statements* offer short-term and long-term financial information about the activities the COUNTY operates like a business, like the Communities at Indian Haven.
 - *Fiduciary funds statements* reflect activities involving resources that are held by the COUNTY as a trustee or agent for the benefit of others. Fiduciary funds are not reflected in the government-wide statements because the resources cannot be used to support the COUNTY's programs.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

Table A-1: Organization of the County's annual financial report



**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

Table A-2 summarizes the major features of the County's financial statements, including the area of the County's activities they cover and the types of information they contain.

Table A-2: Major features of the government-wide and fund financial statements

| | Government-wide Statements | Fund Financial Statements | | |
|---|--|--|--|---|
| | | Governmental | Proprietary | Fiduciary |
| Scope | Entire entity (except fiduciary funds) | The day-to-day operating activities of the County, such as public safety and courts | The activities of the County, such as the Communities at Indian Haven | Instances in which the County administers resources on behalf of others |
| Required Financial Statements | -Statement of net position -Statement of activities | -Balance sheet -Statement of revenues, expenditures and changes in fund balances | -Statement of net position -Statement of revenues, expenses and changes in net position -Statement of cash flows | -Statement of fiduciary net position |
| Accounting basis and measurement focus | Accrual | Modified Accrual | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| Type of asset and liability information | All assets and liabilities, short-term and long-term | Current assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included | All assets and liabilities, short-term and long-term | All assets and liabilities, short-term and long-term |
| Type of inflow and outflow information | All revenues and expenses during year, regardless of when cash is received or paid | Revenue for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable | All revenues and expenses during year, regardless of when cash is received or paid | All additions and deductions during the year, regardless of when cash is received or paid |

MANAGEMENT DISCUSSION AND ANALYSIS DECEMBER 31, 2020

The remainder of the overview explains the structure and contents of the government-wide and fund financial statements.

Government-wide financial statements

Government-wide financial statements report information about the COUNTY as a whole using accounting methods similar to those used by private-sector companies.

- The statement of net position includes all the COUNTY's assets and liabilities, except fiduciary funds, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business.
- The statement of activities focuses on how the COUNTY's net position changed during the year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on local taxes for funding.

All changes to net position are reported using the economic resources measurement focus and the accrual basis of accounting, which requires that revenues be reported when they are earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow.

Net position is one way to measure the COUNTY's financial position. Over time, increases or decreases in the COUNTY's net position are one indicator of whether the COUNTY's financial position is improving or deteriorating. However, other non-financial factors such as changes in the COUNTY's property tax base and general economic conditions must be considered to assess the overall position of the COUNTY.

The primary government and its component units are included in the government-wide financial statements. The component units reflect the activities of the legally separate government entities over which the COUNTY can exercise influence and/or be obligated to provide financial support. The COUNTY has two discretely presented component units that it reports in the financial statements – Indiana County Municipal Services Authority and Highridge Water Authority. The County also reports one blended component unit, the Communities at Indian Haven. Complete and detailed financial statements for these component units can be obtained from their administrative offices (see Note 1, Notes to the financial statements).

There are two categories of activities for the primary government:

- *Governmental activities* include the COUNTY's basic services such as general government, judicial, public safety, public works, human services, culture and recreation, and conservation and development.
- *Business-type activities* such as the Communities at Indian Haven charge a fee to customers to help cover the costs of services.

Net position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets in the fund level statements are reported as expenditures when financial resources (money) are expended to purchase or build assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated as it does not provide or reduce current financial resources. Finally, capital assets and long-term debt do not affect fund balances.

MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Government wide statements are reported on the accrual basis of accounting that involves the following steps to format the statement of net position:

- Capitalize current outlays for capital assets
- Report long-term debt as a liability
- Depreciate capital assets and allocate the depreciation to the proper program/activities
- Allocate net position balances as follows:
 - Net investment in capital assets
 - Restricted net position are those with constraints placed on the use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions or enabling legislation
 - Unrestricted net position is net position that does not meet any of the above restrictions

Fund Financial Statements

Fund financial statements provide more detailed information on the COUNTY's most significant funds, not the COUNTY as a whole. Funds are accounting devices, i.e., a group of related accounts, the COUNTY uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law. Other funds are established to control and manage resources designated for specific purposes. Fund financial statements are reported using the modified accrual basis of accounting.

The COUNTY has three kinds of funds:

- *Governmental funds* include most of the COUNTY's basic services and focus on: (1) the flow in and out of cash and other financial assets that can readily be converted into cash, and: (2) the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting.

The relationship between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation that follows the governmental fund financial statements.

The COUNTY adopts an annual budget for the general fund, as required by state law. The County also adopts a budget for the capital projects and liquid fuels funds. A budgetary comparison of the COUNTY's general fund is presented as required supplementary information.

- *Proprietary Funds* report business-type programs and activities that charge fees designed to recover the cost of providing services. The proprietary fund reports using the accrual basis of accounting.
- *Fiduciary Funds* are for which the COUNTY is the trustee or fiduciary. These include certain agency funds, or clearing accounts for assets held by the COUNTY in its role as custodian until the funds are allocated to the private parties, organizations or government agencies to which they belong. The COUNTY is responsible to ensure the assets reported in these funds are used for their intended purposes. This fiduciary activity is reported in a separate statement of fiduciary net position. These funds are excluded from the COUNTY's government-wide financial statements because the COUNTY cannot use these assets to finance its operations. The fiduciary funds are reported using the accrual basis of accounting.

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position

The COUNTY's total assets were \$115,461,038 at December 31, 2020. Of this amount, \$71,770,312 were capital assets.

GASB No. 34 required that all capital assets, including infrastructure, be valued and reported within the governmental activities column of the government-wide financial statements, but allowed infrastructure to be added over several years. The COUNTY adopted the provisions of GASB 34 related to infrastructure on the retroactive basis.

Condensed Statement of Net Position – 2020/2019

| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
|----------------------------------|-----------------------|-----------------------|---------------------|---------------------|-----------------------|-----------------------|
| | Governmental | Governmental | Business- | Business- | Total | Total |
| | Activities | Activities | type | type | | |
| | Activities | Activities | Activities | Activities | Total | Total |
| Capital Assets | \$ 67,847,964 | \$ 65,122,186 | \$ 3,922,348 | \$ 2,995,048 | \$ 71,770,312 | \$ 68,117,234 |
| Other Assets | 42,561,696 | 37,841,328 | 1,129,030 | 993,913 | 43,690,726 | 38,835,241 |
| Total Assets | <u>\$ 110,409,660</u> | <u>\$ 102,963,514</u> | <u>\$ 5,051,378</u> | <u>\$ 3,988,961</u> | <u>\$ 115,461,038</u> | <u>\$ 106,952,475</u> |
| Deferred Outflows | \$ 423,322 | \$ 605,446 | \$ 116,629 | \$ 166,806 | \$ 539,951 | \$ 772,252 |
| Current Liabilities | \$ 7,647,849 | \$ 8,152,033 | \$ 874,965 | \$ 203,291 | \$ 8,522,814 | \$ 8,355,324 |
| Long-term Liabilities | 43,668,259 | 40,643,250 | - | - | 43,668,259 | 40,643,250 |
| Total Liabilities | <u>\$ 51,316,108</u> | <u>\$ 48,795,283</u> | <u>\$ 874,965</u> | <u>\$ 203,291</u> | <u>\$ 52,191,073</u> | <u>\$ 48,998,574</u> |
| Deferred Inflows | \$ 1,501,782 | \$ 305,800 | \$ 413,756 | \$ 84,251 | \$ 1,915,538 | \$ 390,051 |
| Net Position: | | | | | | |
| Net Investment In Capital Assets | \$ 21,711,208 | \$ 21,426,467 | \$ 1,129,030 | \$ 991,040 | \$ 22,840,238 | \$ 22,417,507 |
| Restricted Net Position | 9,032,007 | 8,245,145 | 563 | 560 | 9,032,570 | 8,245,705 |
| Unrestricted Net Position | <u>27,271,877</u> | <u>24,796,265</u> | <u>2,749,693</u> | <u>2,876,625</u> | <u>30,021,570</u> | <u>27,672,890</u> |
| Total Net Position | <u>\$ 58,015,092</u> | <u>\$ 54,467,877</u> | <u>\$ 3,879,286</u> | <u>\$ 3,868,225</u> | <u>\$ 61,894,378</u> | <u>\$ 58,336,102</u> |

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

Change in Net Position

The following statement of activities represents the change in net position for the years ended December 31, 2020 and 2019. It shows revenues by source and expenses by function for governmental activities, business-type activities and the government as a whole.

| | 2020 | | 2019 | | | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Governmental Activities | Governmental Activities | Business-type Activities | Business-type Activities | 2020 Total | 2019 Total |
| Condensed Statement of Activities | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 8,423,074 | \$ 9,036,756 | \$ 7,727,752 | \$ 9,759,398 | \$ 16,150,826 | \$ 18,796,154 |
| Grants and Contributions | 24,048,098 | 18,902,358 | 348,342 | - | 24,396,440 | 18,902,358 |
| General Revenues: | | | | | | |
| Property Taxes | 21,310,637 | 21,254,853 | - | - | 21,310,637 | 21,254,853 |
| Hotel Taxes | 287,935 | 600,465 | - | - | 287,935 | 600,465 |
| Unrestricted | | | | | | |
| Investment Earnings | 160,772 | 252,452 | 12,815 | - | 173,587 | 252,452 |
| Transfers | 180,147 | 241,551 | (180,147) | (241,551) | - | - |
| Miscellaneous Revenue | 51,623 | 72,959 | - | - | 51,623 | 72,959 |
| Gain/(Loss) on disposal of assets | 6,834 | (14,188) | - | - | 6,834 | (14,188) |
| Total Revenues | <u>\$ 54,469,120</u> | <u>\$ 50,347,206</u> | <u>\$ 7,908,762</u> | <u>\$ 9,517,847</u> | <u>\$ 62,377,882</u> | <u>\$ 59,865,053</u> |
| Expenses: | | | | | | |
| General Government - Administrative | \$ 7,155,667 | \$ 6,352,481 | \$ - | \$ - | \$ 7,155,667 | \$ 6,352,481 |
| General Government - Judicial | 6,809,732 | 8,169,691 | - | - | 6,809,732 | 8,169,691 |
| Public Safety | 20,942,502 | 18,381,229 | - | - | 20,942,502 | 18,381,229 |
| Public Works | 1,827,199 | 1,793,312 | - | - | 1,827,199 | 1,793,312 |
| Human Services | 10,526,118 | 11,283,498 | 7,897,701 | 9,533,837 | 18,423,819 | 20,817,335 |
| Culture and Recreation | 1,291,492 | 1,814,818 | - | - | 1,291,492 | 1,814,818 |
| Conservation and Development | 1,139,142 | 3,171,213 | - | - | 1,139,142 | 3,171,213 |
| Interest on Long-Term Debt | 907,376 | 903,922 | - | - | 907,376 | 903,922 |
| Other expenses | 322,677 | 314,546 | - | - | 322,677 | 314,546 |
| Total Expenses | <u>50,921,905</u> | <u>52,184,710</u> | <u>7,897,701</u> | <u>9,533,837</u> | <u>58,819,606</u> | <u>61,718,547</u> |
| Change in Net Position | <u>3,547,215</u> | <u>(1,837,504)</u> | <u>11,061</u> | <u>(15,990)</u> | <u>3,558,276</u> | <u>(1,853,494)</u> |
| Net Position - January 1 | 54,467,877 | 56,305,381 | 3,868,225 | 3,884,215 | 58,336,102 | 60,189,596 |
| Net Position - December 31 | <u>\$ 58,015,092</u> | <u>\$ 54,467,877</u> | <u>\$ 3,879,286</u> | <u>\$ 3,868,225</u> | <u>\$ 61,894,378</u> | <u>\$ 58,336,102</u> |

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

Net Program Expenses

Net program expenses indicate the amount of support required from taxes and other general revenues for a program of the government. In 2020, property taxes brought in \$21,310,637.

Net Cost of Governmental and Business-type Activities

| | 2020 | 2019 | 2020 | 2019 |
|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------------|---------------------------------|
| | Total Cost of Services | Total Cost of Services | Net Cost of Services | Net Cost of Services |
| Program: | | | | |
| General Government-Administrative | \$ 7,155,667 | \$ 6,352,481 | \$ (4,422,390) | \$ (2,659,341) |
| General Government-Judicial | 6,809,732 | 8,169,691 | (3,765,823) | (2,647,497) |
| Public Safety | 20,942,502 | 18,381,229 | (12,665,740) | (7,642,134) |
| Public Works | 1,827,199 | 1,793,312 | (988,071) | (850,087) |
| Human Service | 10,526,118 | 11,283,498 | (2,055,696) | (7,649,938) |
| Culture and Recreation | 1,291,492 | 1,814,818 | (929,073) | (1,509,045) |
| Conservation and Development | 1,139,142 | 3,171,213 | 7,606,113 | (69,086) |
| Miscellaneous | 322,677 | 314,546 | (322,677) | (314,546) |
| Interest on Long-Term Debt | 907,376 | 903,922 | (907,376) | (903,922) |
| Communities at Indian Haven | <u>7,897,701</u> | <u>9,533,837</u> | <u>178,393</u> | <u>225,561</u> |
| Total | <u>\$ 58,819,606</u> | <u>\$ 61,718,547</u> | <u>\$ (18,272,340)</u> | <u>\$ (24,020,035)</u> |

The COUNTY relied on property taxes and other general revenues to fund 31% of its governmental and business-type activities in 2020.

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

Capital Assets

The COUNTY's investment in capital assets at December 31, 2020, net of accumulated depreciation, was \$68,976,994. Capital assets consist primarily of land, buildings and equipment. The following is a summary of capital assets at December 31, 2020 and 2019:

| Capital Assets | | | | | | |
|---------------------------------|-----------------------------|-----------------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | Governmental | Governmental | Business-type | Business-type | 2020 | 2019 |
| | Activities | Activities | Activities | Activities | Total | Total |
| Land | \$ 2,085,470 | \$ 2,085,470 | \$ - | \$ - | \$ 2,085,470 | \$ 2,085,470 |
| Building and Improvements | 67,110,945 | 65,705,188 | 4,690,244 | 4,677,872 | 71,801,189 | 70,383,060 |
| Equipment and machinery | 33,073,272 | 32,020,785 | 4,220,564 | 3,972,019 | 37,293,836 | 35,992,804 |
| Construction in Progress | 4,987,335 | 140,336 | - | - | 4,987,335 | 140,336 |
| Infrastructure | 18,266,353 | 18,266,353 | - | - | 18,266,353 | 18,266,353 |
| Capitalized Interest | - | - | 165,318 | 165,318 | 165,318 | 165,318 |
| Accumulated Depreciation | <u>(57,675,411)</u> | <u>(53,095,946)</u> | <u>(7,947,096)</u> | <u>(7,821,296)</u> | <u>(65,622,507)</u> | <u>(60,917,242)</u> |
| Total Net Capital Assets | <u>\$ 67,847,964</u> | <u>\$ 65,122,186</u> | <u>\$ 1,129,030</u> | <u>\$ 993,913</u> | <u>\$ 68,976,994</u> | <u>\$ 66,116,099</u> |

Detailed information about the COUNTY's capital assets can be found in Note 6, Notes to the Financial Statements.

MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Debt Administration

At December 31, 2020, the COUNTY had \$47,168,460 of debt outstanding. Debt increased 6.23% from the previous year. The following is a summary of debt obligations for the 2020 year:

| | Beginning Balance | Additions | Reductions | Ending Balance | Amounts Due Within One Year |
|---|----------------------|----------------------|-----------------------|----------------------|-----------------------------------|
| <u>Governmental Activities</u> | | | | | |
| Bonds and Notes Payable: | | | | | |
| General Obligation Notes | \$ 42,710,308 | \$ 10,759,590 | \$ (8,277,716) | \$ 45,192,182 | \$ 3,225,827 |
| Total Bonds and Notes Payable | <u>42,710,308</u> | <u>10,759,590</u> | <u>(8,277,716)</u> | <u>45,192,182</u> | <u>3,225,827</u> |
| Other Liabilities: | | | | | |
| Capital Lease Obligations | 884,126 | 394,985 | (251,366) | 1,027,745 | 274,374 |
| Compensated Absences | <u>805,692</u> | <u>142,841</u> | <u>-</u> | <u>948,533</u> | <u>-</u> |
| Total Other Liabilities | <u>1,689,818</u> | <u>537,826</u> | <u>(251,366)</u> | <u>1,976,278</u> | <u>274,374</u> |
| Governmental Activities Long-Term Liabilities | <u>44,400,126</u> | <u>11,297,416</u> | <u>(8,529,082)</u> | <u>47,168,460</u> | <u>3,500,201</u> |
| <u>Business-Type Activities</u> | | | | | |
| Capital Lease Obligations | \$ 2,873 | \$ - | \$ (2,873) | \$ - | \$ - |
| Business-Type Activities Long-Term Liabilities | <u>\$ 2,873</u> | <u>\$ -</u> | <u>\$ (2,873)</u> | <u>\$ -</u> | <u>\$ -</u> |
| Total | <u>\$ 44,402,999</u> | <u>\$ 11,297,416</u> | <u>\$ (8,531,955)</u> | <u>\$ 47,168,460</u> | <u>\$ 3,500,201</u> |

See Note 10 for more information regarding long-term debt.

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

GOVERNMENTAL FUNDS

The COUNTY uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of governmental funds is to provide information on inflows, outflows, and balances of spendable resources. Such information is useful in assessing the COUNTY's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the COUNTY's net resources available for spending at the end of the year.

The COUNTY's governmental funds include the general fund and various special revenue funds. The general fund is the chief operating fund for the COUNTY. Special revenue funds are restricted to specific legislated use. The major funds are shown on the statement of revenues, expenditures and changes in fund balances in the financial statements.

GOVERNMENTAL FUND REVENUES

Governmental fund revenues by source at December 31, 2020 and 2019 were as follows:

| | <u>2020</u> | <u>2019</u> |
|-----------------------------|----------------------|----------------------|
| Revenues: | | |
| Taxes | \$ 21,724,424 | \$ 22,064,515 |
| Intergovernmental Revenues | 24,048,098 | 18,902,357 |
| Departmental Charges | 7,053,920 | 7,421,348 |
| Charges for Services | 1,369,153 | 1,615,408 |
| Interest | 160,772 | 252,452 |
| Other | 49,430 | 69,540 |
| Debt Proceeds | 10,759,590 | 1,175,000 |
| Amounts Received from Loans | 801,566 | 697,124 |
| Disposal of Fixed Assets | 6,769 | 8,037 |
| Capital Lease Proceeds | 394,985 | 321,764 |
| Operation Transfers In | <u>280,714</u> | <u>409,375</u> |
| Total Revenues | <u>\$ 66,649,421</u> | <u>\$ 52,936,920</u> |

There are several factors relating to increases/decreases in revenues from 2020 to 2019. The county had an increase in intergovernmental revenues in 2020 due to additional revenues received as a result of the COVID-19 pandemic. The County also had an increase in debt proceeds as a result of refinancing the 2018 Series E Notes, and additional borrowings to fund County capital projects.

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

GOVERNMENTAL FUND EXPENDITURES

Governmental fund expenditures by function at December 31, 2020 and 2019 were as follows:

| | <u>2020</u> | <u>2019</u> |
|------------------------------------|----------------------|----------------------|
| Expenditures: | | |
| General Government- Administrative | \$ 9,709,629 | \$ 7,445,179 |
| General Government-Judicial | 7,657,785 | 7,951,971 |
| Public Safety | 18,591,981 | 16,452,299 |
| Public Works | 902,810 | 692,640 |
| Human Services | 10,504,284 | 11,020,893 |
| Culture and Recreation | 1,406,946 | 1,705,691 |
| Conservation and Development | 3,603,512 | 3,162,731 |
| Other | 322,677 | 314,546 |
| Debt Service | 9,192,400 | 4,404,622 |
| Capital Outlay | 394,985 | 321,764 |
| Amounts Loaned to Others | 50,000 | 72,000 |
| Operating Transfers Out | <u>100,567</u> | <u>167,824</u> |
| Total Expenditures | <u>\$ 62,437,576</u> | <u>\$ 53,712,160</u> |

The increase in General Government expenditures represents an increase in Commissioners' expenditures for Broadband projects. The increase in Public Safety expenditures represents an increase in E911 expenditures over the previous year. The increase in debt service was the result of the refinancing of the 2018 Series E Notes.

GOVERNMENTAL FUND BALANCES AND PROPRIETARY FUND NET POSITION

Ending balances for governmental funds and net position for proprietary funds at December 31, 2020 and 2019 were as follows:

| <u>Fund</u> | <u>2020 Governmental Funds</u> | <u>2019 Governmental Funds</u> | <u>2020 Proprietary Funds</u> | <u>2019 Proprietary Funds</u> |
|--------------------------------------|--|--|---------------------------------------|---------------------------------------|
| General Fund | \$ 18,290,856 | \$ 14,536,526 | \$ - | \$ - |
| Community Program for Restoration | 492,021 | 403,439 | | |
| Revolving Loan | 1,352,402 | 1,245,502 | - | - |
| Nonmajor Governmental Funds | 4,993,946 | 4,731,913 | - | - |
| Communities at Indian Haven | <u>-</u> | <u>-</u> | <u>3,879,286</u> | <u>3,868,225</u> |
| Total | <u>\$ 25,129,225</u> | <u>\$ 20,917,380</u> | <u>\$ 3,879,286</u> | <u>\$ 3,868,225</u> |

The reasons for the changes in governmental fund balances are explained above in the governmental funds revenues and expenditures sections.

**MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

BUDGETARY HIGHLIGHTS

The County adopts an annual appropriated budget for its general fund, capital improvements fund, and liquid fuels fund. Detailed information about the COUNTY's general fund budget can be found in Required Supplemental Information.

Overall the County general fund actual revenue had a deficit of the budget of \$810,590. The general fund expenditures had a decrease from the actual budget of \$1,909,744. Other financing sources and uses showed a surplus in budget of 11,465,717 as a result of debt transactions. This showed an excess of revenue over expenditures of \$9,623,340. Numerous factors went into these results including the management of the commissioners on the oversight of the budget and additional federal funding due to the COVID pandemic. The 2020 budget was completed for the general fund, the liquid fuels fund, and the capital improvement fund. The original general fund budget in 2020 had an opening balance of \$5,847,420 and the final general fund budget in 2020 had an opening balance of \$5,869,010 after a budget revision was made on February 12, 2020. There was no increase in taxes. The real estate tax rate was 4.4445 mills, .81 mills applied to debt and the remaining 3.635 mills applied to general obligations.

ECONOMIC CONDITIONS AND NEXT YEAR'S BUDGET

The 2021 budget was completed for the general fund, the liquid fuels, and the capital improvement fund. The general fund budget in 2021 had an opening balance of \$3,747,245. The real estate tax rate was 4.905 mills, .78 mills applied to debt and the remaining 4.125 mills applied to general obligations.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the COUNTY's finances and to demonstrate the COUNTY's accountability. Questions concerning this financial information or requests for additional information should be directed to:

County of Indiana
County Commissioners
825 Philadelphia Street
Indiana, PA 15701

Phone: 724-465-3805

COUNTY OF INDIANA, PENNSYLVANIA
STATEMENT OF NET POSITION
DECEMBER 31, 2020

| | Primary Government | | | Component Units |
|---|----------------------------|-----------------------------|----------------------|----------------------|
| | Governmental Activities | Business-type Activities | Total | |
| <u>Assets</u> | | | | |
| Cash and Cash Equivalents | \$ 20,163,260 | \$ 2,667,229 | \$ 22,830,489 | \$ 1,638,761 |
| Investments | 111,364 | - | 111,364 | - |
| Restricted Assets | | | | |
| Cash and Cash Equivalents | - | 563 | 563 | 2,377,313 |
| Resident's Cash | - | 11,760 | 11,760 | - |
| Receivables (Net, where applicable, of Allowance for Uncollectibles) | | | | |
| Accounts | 1,953,511 | 798,188 | 2,751,699 | 1,141,603 |
| Taxes | 1,151,255 | - | 1,151,255 | - |
| Loans | 9,227,903 | - | 9,227,903 | - |
| Notes (current) | - | - | - | 99,476 |
| Due From Other Governments | 6,350,545 | - | 6,350,545 | - |
| Prepaid Assets | - | 39,938 | 39,938 | 26,825 |
| Inventory | - | - | - | 118,706 |
| Net Pension Asset | 2,696,639 | 742,952 | 3,439,591 | - |
| Other Assets | 568,937 | - | 568,937 | 275,530 |
| Internal Balances | 338,282 | (338,282) | - | - |
| Trustee Held Funds | - | - | - | - |
| Intangible Assets | - | - | - | 945,765 |
| Note Receivable Less Current Portion | - | - | - | 1,418,300 |
| Capital Assets: (Net) | | | | |
| Depreciable | 60,775,159 | 1,129,030 | 61,904,189 | 116,469,402 |
| Non-depreciable | 7,072,805 | - | 7,072,805 | - |
| Total Assets | 110,409,660 | 5,051,378 | 115,461,038 | 124,511,681 |
| <u>Deferred Outflow of Resources</u> | | | | |
| Deferred amounts related to pension | \$ 423,322 | \$ 116,629 | \$ 539,951 | \$ - |
| <u>Liabilities</u> | | | | |
| Accounts Payable | \$ 3,718,459 | \$ 266,755 | \$ 3,985,214 | \$ 168,865 |
| Accrued Expenses | 335,007 | 67,934 | 402,941 | 499,523 |
| Unearned Revenues | - | 526,540 | 526,540 | 160,709 |
| Due to Other Governments | 204 | - | 204 | - |
| Funds Held in Fiduciary Capacity | - | 13,736 | 13,736 | - |
| Accrued Interest Payable on Debt | 93,978 | - | 93,978 | 158,343 |
| Current Portions of Long-Term Liabilities: | | | | |
| Loans and Notes Payable | 3,225,827 | - | 3,225,827 | 4,029,803 |
| Capital Lease Payable | 274,374 | - | 274,374 | 20,897 |
| Non-Current Portions of Long-Term Liabilities: | | | | |
| Loans and Notes Payable | 41,966,355 | - | 41,966,355 | 52,873,003 |
| Capital Lease Payable | 753,371 | - | 753,371 | 14,922 |
| Compensated Absences | 948,533 | - | 948,533 | 203,143 |
| Total Liabilities | 51,316,108 | 874,965 | 52,191,073 | 58,129,208 |
| <u>Deferred Inflow of Resources</u> | | | | |
| Deferred amounts related to pension | 1,501,782 | 413,756 | 1,915,538 | - |
| <u>Net Position</u> | | | | |
| Net Investment in Capital Assets | 21,711,208 | 1,129,030 | 22,840,238 | 59,679,672 |
| Restricted Net Position | | | | |
| Program Purposes | 9,032,007 | - | 9,032,007 | - |
| Bond Indenture | - | - | - | 2,301,030 |
| Capital projects | - | 563 | 563 | 76,283 |
| Unrestricted | 27,271,877 | 2,749,693 | 30,021,570 | 4,325,488 |
| Total Net Position | \$ 58,015,092 | \$ 3,879,286 | \$ 61,894,378 | \$ 66,382,473 |

The accompanying notes are an integral part of the financial statements.

COUNTY OF INDIANA, PENNSYLVANIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | | Component Units |
|---|----------------------|----------------------|------------------------------------|----------------------------------|---|---|------------------------|----------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Primary Government Business-Type Activities | Total | |
| Primary Government: | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| General Government - Administrative | \$ 7,155,667 | 1,953,334 | 779,943 | \$ - | \$ (4,422,390) | \$ - | \$ (4,422,390) | |
| General Government - Judicial | 6,809,732 | 1,764,261 | 1,279,648 | - | (3,765,823) | - | (3,765,823) | |
| Public Safety | 20,942,502 | 4,148,405 | 4,128,357 | - | (12,665,740) | - | (12,665,740) | |
| Public Works | 1,827,199 | 5,405 | - | 833,723 | (988,071) | - | (988,071) | |
| Human Services | 10,526,118 | 225,330 | 8,245,092 | - | (2,055,696) | - | (2,055,696) | |
| Culture and Recreation | 1,291,492 | 41,154 | 321,265 | - | (929,073) | - | (929,073) | |
| Conservation and Development | 1,139,142 | 285,185 | 8,460,070 | - | 7,606,113 | - | 7,606,113 | |
| Miscellaneous | 322,677 | - | - | - | (322,677) | - | (322,677) | |
| Interest on Long-Term Debt | 907,376 | - | - | - | (907,376) | - | (907,376) | |
| Total Governmental Activities | 50,921,905 | 8,423,074 | 23,214,375 | 833,723 | (18,450,733) | - | (18,450,733) | |
| Business-Type Activities: | | | | | | | | |
| Communities at Indian Haven | 7,897,701 | 7,727,752 | 348,342 | - | - | 178,393 | 178,393 | |
| Total Business-Type Activities | 7,897,701 | 7,727,752 | 348,342 | - | - | 178,393 | 178,393 | |
| Total Primary Government | \$ 58,819,606 | \$ 16,150,826 | \$ 23,562,717 | \$ 833,723 | \$ (18,450,733) | \$ 178,393 | \$ (18,272,340) | |
| Component Units: | | | | | | | | |
| Indiana County Municipal Services Authority | \$ 8,542,613 | \$ 7,443,299 | \$ - | \$ 2,293,206 | | | | \$ 1,193,892 |
| Highridge Water Authority | 3,838,036 | 3,744,122 | - | - | | | | (93,914) |
| Total Component Units | \$ 12,380,649 | \$ 11,187,421 | \$ - | \$ 2,293,206 | | | | \$ 1,099,978 |
| General Revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property | | | | | 21,310,637 | - | 21,310,637 | - |
| Hotel Taxes | | | | | 287,935 | - | 287,935 | - |
| Unrestricted investment earnings | | | | | 160,772 | 12,815 | 173,587 | 21,470 |
| Gain (loss) from sale of assets | | | | | 6,834 | - | 6,834 | 31,609 |
| Miscellaneous | | | | | 51,623 | - | 51,623 | - |
| Transfers | | | | | 180,147 | (180,147) | - | - |
| Total General Revenues | | | | | 21,997,948 | (167,332) | 21,830,616 | 53,079 |
| Change in Net Position | | | | | 3,547,215 | 11,061 | 3,558,276 | 1,153,057 |
| Net Position - Beginning | | | | | 54,467,877 | 3,868,225 | 58,336,102 | 65,229,416 |
| Net Position - Ending | | | | | \$ 58,015,092 | \$ 3,879,286 | \$ 61,894,378 | \$ 66,382,473 |

The accompanying notes are an integral part of the financial statements.

COUNTY OF INDIANA, PENNSYLVANIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

| | General Fund | Community Program for Restoration | Revolving Loan Fund | CARES Act | Total Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|---|------------------------|-------------------|---|--------------------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 13,009,520 | \$ 475,131 | \$ 1,353,352 | \$ 481,274 | \$ 4,843,983 | \$ 20,163,260 |
| Investments | - | - | - | - | 111,364 | 111,364 |
| Receivables: | | | | | | |
| Taxes | 1,953,511 | - | - | - | - | 1,953,511 |
| Other governmental grants | 5,103,692 | - | - | - | 1,246,853 | 6,350,545 |
| Other | 1,078,276 | 16,890 | - | - | 56,089 | 1,151,255 |
| Loans | 6,042,203 | 1,154,118 | 749,459 | - | 1,282,123 | 9,227,903 |
| Due from other funds | 1,135,210 | - | - | - | 152,800 | 1,288,010 |
| Other assets | <u>549,582</u> | - | - | - | 19,355 | <u>568,937</u> |
| Total assets | <u>\$ 28,871,994</u> | <u>\$ 1,646,139</u> | <u>\$ 2,102,811</u> | <u>\$ 481,274</u> | <u>\$ 7,712,567</u> | <u>\$ 40,814,785</u> |
| Liabilities | | | | | | |
| Accounts Payable | 2,632,298 | \$ - | \$ - | \$ 481,274 | \$ 604,887 | \$ 3,718,459 |
| Accrued liabilities | 324,540 | - | 950 | - | 9,517 | 335,007 |
| Due to other funds | 127,807 | - | - | - | 821,921 | 949,728 |
| Due to other governments | 31 | - | - | - | 173 | 204 |
| Unearned loans receivable | <u>6,042,203</u> | <u>1,154,118</u> | <u>749,459</u> | <u>-</u> | <u>1,282,123</u> | <u>9,227,903</u> |
| Total liabilities | <u>9,126,879</u> | <u>1,154,118</u> | <u>750,409</u> | <u>481,274</u> | <u>2,718,621</u> | <u>14,231,301</u> |
| Deferred Inflow s of Resources | | | | | | |
| Unavailable Revenue - Property Taxes | <u>1,454,259</u> | - | - | - | - | 1,454,259 |
| Total Deferred Inflow s of Resources | <u>1,454,259</u> | - | - | - | - | <u>1,454,259</u> |
| Fund Balances | | | | | | |
| Nonspendable | 549,582 | - | - | - | 4,520 | 554,102 |
| Restricted | 2,198,158 | 492,021 | 1,352,402 | - | 4,989,426 | 9,032,007 |
| Assigned | 9,043,741 | - | - | - | - | 9,043,741 |
| Unassigned | <u>6,499,375</u> | - | - | - | - | <u>6,499,375</u> |
| Total fund balances | <u>18,290,856</u> | <u>492,021</u> | <u>1,352,402</u> | <u>-</u> | <u>4,993,946</u> | <u>25,129,225</u> |
| Total liabilities and fund balances | <u>\$ 28,871,994</u> | <u>\$ 1,646,139</u> | <u>\$ 2,102,811</u> | <u>\$ 481,274</u> | <u>\$ 7,712,567</u> | <u>\$ 40,814,785</u> |

The accompanying notes are an integral part of the financial statements.

COUNTY OF INDIANA, PENNSYLVANIA
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 DECEMBER 31, 2020

Amounts reported for governmental activities in the Statement of Net Position are different because:

| | | |
|---|--------------|---------------|
| Total fund balances of governmental funds | | \$ 25,129,225 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$125,523,375 and the accumulated depreciation is \$57,675,411. | | 67,847,964 |
| Revenues not available to pay for current period expenditures and therefore reported as unearned revenue in the funds: | | |
| Loans Receivable | 9,227,903 | |
| Real estate taxes | 1,454,259 | 10,682,162 |
| Net pension assets are not reported in the the funds: | | 2,696,639 |
| Deferred outflow of resources related to pensions is not reported in the funds | | 423,322 |
| Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Both current and long-term liabilities are reported in the Statement of Net Position. Long-term liabilities at year-end consist of: | | |
| Long-term debt | (45,192,182) | |
| Accrued interest on long-term debt | (93,978) | |
| Capital Lease Payable | (1,027,745) | |
| Compensated absences | (948,533) | (47,262,438) |
| Deferred inflow of resources related to pensions is not reported in the funds | | (1,501,782) |
| | | \$ 58,015,092 |

COUNTY OF INDIANA, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

| | General Fund | Community Program for Restoration | Revolving Loan Fund | CARES Act | Total Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|---|------------------------|------------------|---|--------------------------------|
| Revenues | | | | | | |
| Taxes, Real estate | \$ 21,436,489 | \$ - | \$ - | \$ - | \$ - | \$ 21,436,489 |
| Taxes, Hotel | - | - | - | - | 287,935 | 287,935 |
| Intergovernmental revenue | 10,405,490 | - | 55,004 | 7,592,537 | 5,995,067 | 24,048,098 |
| Charges for services | 448,656 | 26,786 | 23,094 | - | 870,617 | 1,369,153 |
| Departmental charges | 7,053,920 | - | - | - | - | 7,053,920 |
| Interest income | 128,715 | 1,928 | 8,623 | - | 21,506 | 160,772 |
| Other revenue | 46,956 | - | - | - | 2,474 | 49,430 |
| Total Revenues | <u>39,520,226</u> | <u>28,714</u> | <u>86,721</u> | <u>7,592,537</u> | <u>7,177,599</u> | <u>54,405,797</u> |
| Expenditures | | | | | | |
| Current operating: | | | | | | |
| General government | 9,582,976 | - | - | 6,134 | 120,519 | 9,709,629 |
| Judicial | 6,367,931 | - | - | - | 1,289,854 | 7,657,785 |
| Public safety | 8,223,169 | - | - | 7,541,921 | 2,826,891 | 18,591,981 |
| Public works | 284,388 | - | - | - | 618,422 | 902,810 |
| Human services | 9,552,341 | - | - | 44,482 | 907,461 | 10,504,284 |
| Culture and recreation | 1,079,937 | - | - | - | 327,009 | 1,406,946 |
| Conservation and development | 2,625,794 | 24,313 | 18,764 | - | 934,641 | 3,603,512 |
| Other | 322,677 | - | - | - | - | 322,677 |
| Debt service | | | | | | |
| Principal | 8,277,716 | - | - | - | - | 8,277,716 |
| Interest | 914,684 | - | - | - | - | 914,684 |
| Total Expenditures | <u>47,231,613</u> | <u>24,313</u> | <u>18,764</u> | <u>7,592,537</u> | <u>7,024,797</u> | <u>61,892,024</u> |
| Excess (deficiency) of revenues over expenditures | <u>(7,711,387)</u> | <u>4,401</u> | <u>67,957</u> | <u>-</u> | <u>152,802</u> | <u>(7,486,227)</u> |
| Other financing sources (uses) | | | | | | |
| Capital Outlay | (394,985) | - | - | - | - | (394,985) |
| Proceeds from capital lease | 394,985 | - | - | - | - | 394,985 |
| Proceeds from long-term debt | 10,759,590 | - | - | - | - | 10,759,590 |
| Amounts received from loans | 584,110 | 84,181 | 88,943 | - | 44,332 | 801,566 |
| Disposal of fixed assets | 6,769 | - | - | - | - | 6,769 |
| Transfers in | 204,734 | - | - | - | 75,980 | 280,714 |
| Amounts loaned to others | - | - | (50,000) | - | - | (50,000) |
| Transfers out | (89,486) | - | - | - | (11,081) | (100,567) |
| Total other financing sources (uses) | <u>11,465,717</u> | <u>84,181</u> | <u>38,943</u> | <u>-</u> | <u>109,231</u> | <u>11,698,072</u> |
| Net change in fund balance | 3,754,330 | 88,582 | 106,900 | - | 262,033 | 4,211,845 |
| Fund balances, beginning of year | <u>14,536,526</u> | <u>403,439</u> | <u>1,245,502</u> | <u>-</u> | <u>4,731,913</u> | <u>20,917,380</u> |
| Fund balances, end of year | <u>\$ 18,290,856</u> | <u>\$ 492,021</u> | <u>\$ 1,352,402</u> | <u>\$ -</u> | <u>\$ 4,993,946</u> | <u>\$ 25,129,225</u> |

The accompanying notes are an integral part of the financial statements.

COUNTY OF INDIANA, PENNSYLVANIA
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2020

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in fund balances - total governmental funds \$ 4,211,845

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

| | | |
|--|--------------------|-----------|
| Capital Outlays | 7,374,829 | |
| Difference between carrying value and accumulated depreciation of capital assets deletions | 65 | |
| Depreciation expense | <u>(4,649,116)</u> | 2,725,778 |

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt.

| | | |
|--|------------------|-------------|
| Proceeds from long term debt | (10,759,590) | |
| Change in interest payable on long-term debt | 7,308 | |
| Principal repayments | <u>8,277,716</u> | (2,474,566) |

The acquisition of capital assets through capital lease arrangements are only expensed when the monthly payments made on the leases at the fund level. Such transactions only effect net position when new capital leases are entered into. This amount is the difference between capital lease payments and new capital lease obligations.

| | | |
|--|------------------|-----------|
| Payments made on capital lease obligations | 251,366 | |
| New capital assets acquired through capital leases | <u>(394,985)</u> | (143,619) |

Changes in loans receivable are reflected as an increase to revenue and expense in the fund statements, but shown as an increase or decrease to loans receivable on the statement of net position. The amortization of the discount on the loans receivable is reported as interest earnings in the statement of activities.

| | | |
|-----------------------------|------------------|-----------|
| Amounts loaned to others | 50,000 | |
| Amounts received from loans | <u>(799,373)</u> | (749,373) |

Governmental funds do not report the changes in compensated absences: (142,842)

Real estate taxes reported in the funds include receipt of prior year delinquent taxes and do not include revenue attributable to the current year's delinquent tax receivable. This amount is the net effect of these differences.

| | | |
|--------------|--------------------|-----------|
| Current year | 1,454,259 | |
| Prior year | <u>(1,580,111)</u> | (125,852) |

The change in the net pension asset and other pension related items does not require financial resources and is therefore not reported in the funds but is shown as an expense in the statement of activities.

245,844

Changes in net position of governmental activities \$ 3,547,215

COUNTY OF INDIANA, PENNSYLVANIA
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2020

| | Business-Type Activities - Enterprise Fund |
|--|--|
| Assets | The Communities at Indian Haven |
| Current Assets: | |
| Cash and cash equivalents | \$ 2,667,229 |
| Resident's cash | 11,760 |
| Accounts receivable | 798,188 |
| Prepaid expenses and other current assets | 39,938 |
| | 3,517,115 |
| Noncurrent assets: | |
| Cash, funded depreciation | 563 |
| Net pension asset | 742,952 |
| Capital assets (net of accumulated depreciation) | 1,129,030 |
| Total noncurrent assets | 1,872,545 |
| Total assets | \$ 5,389,660 |
| Deferred Outflow of Resources | |
| Deferred amounts from pension liability | \$ 116,629 |
| Liabilities | |
| Current liabilities: | |
| Accounts payable | \$ 266,755 |
| Accrued liabilities | 67,934 |
| Due to primary government | 338,282 |
| Unearned revenue | 526,540 |
| Funds held in fiduciary capacity | 13,736 |
| Total current liabilities | 1,213,247 |
| Total liabilities | 1,213,247 |
| Deferred Inflow of Resources | |
| Deferred amounts from pension liability | 413,756 |
| Net Position | |
| Net investment in capital assets | 1,129,030 |
| Restricted | 563 |
| Unrestricted | 2,749,693 |
| Total net position | 3,879,286 |
| Total liabilities and net position | \$ 5,506,289 |

The accompanying notes are an integral part of the financial statements.

COUNTY OF INDIANA, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

| | Business-Type Activities - Enterprise Fund <u>The Communities at Indian Haven</u> |
|---------------------------------------|--|
| Operating Revenues | |
| Receipts from Providing Services | \$ <u>7,727,752</u> |
| Total Operating Revenues | <u>7,727,752</u> |
| Operating Expenses | |
| Human Services | 7,755,882 |
| Depreciation and amortization | <u>141,819</u> |
| Total Operating Expenses | <u>7,897,701</u> |
| Operating Income | (169,949) |
| Nonoperating Revenues (Expenses) | |
| Grant Income | 348,342 |
| Interest Income | <u>12,815</u> |
| Total Nonoperating Expenses | <u>361,157</u> |
| Excess of revenues under expenditures | 191,208 |
| Transfers to other funds | <u>(180,147)</u> |
| Total other financing uses | <u>(180,147)</u> |
| Change in Net Position | 11,061 |
| Net Position - Beginning of Year | <u>3,868,225</u> |
| Net Position - End of Year | <u>\$ <u>3,879,286</u></u> |

The accompanying notes are an integral part of the financial statements.

COUNTY OF INDIANA, PENNSYLVANIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

| | Business-Type Activities - <u>Enterprise Fund</u> The Communities at Indian Haven |
|---|---|
| Cash flows from operating activities | |
| Cash received from residents | \$ 7,338,344 |
| Cash paid for goods and services | <u>(7,663,907)</u> |
| Net cash provided by operating activities | <u>(325,563)</u> |
| Cash flows from investing activities | |
| Net decrease in cash, funded depreciation | <u>(3)</u> |
| Net cash used in investing activities | <u>(3)</u> |
| Cash flows from capital and related financing activities | |
| Purchase of capital assets | (313,329) |
| Payments on capital lease obligation | <u>(2,873)</u> |
| Net cash used in capital and related financing activities | <u>(316,202)</u> |
| Cash flows from financing activities | |
| Interest income | 12,815 |
| Grant revenues | 874,882 |
| Transfers to other funds | <u>(180,147)</u> |
| Net cash used in financing activities | <u>707,550</u> |
| Net increase in cash and cash equivalents | 65,782 |
| Beginning cash and cash equivalents | <u>2,601,447</u> |
| Ending cash and cash equivalents | <u>\$ 2,667,229</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | |
| Operating income | \$ (169,949) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Depreciation | 141,819 |
| Loss on disposal of asset | 36,393 |
| Increase in pension asset | (447,415) |
| Change in deferred (inflows) outflows related to pension liability | 379,682 |
| Decrease in accounts receivable, net of allowances | (389,408) |
| Decrease (increase) in assets | |
| Prepaid expenses | 147,072 |
| Restricted cash | 59,167 |
| Increase in liabilities | |
| Accounts payable | 166,842 |
| Accrued expenses | (18,835) |
| Decrease in liabilities | |
| Due to primary government | <u>(230,931)</u> |
| Net cash provided by operating activities | <u>\$ (325,563)</u> |

The accompanying notes are an integral part of the financial statements.

COUNTY OF INDIANA, PENNSYLVANIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020

| | Employee Retirement Trust Fund | Custodial Fund |
|---|--------------------------------------|-------------------|
| Assets | | |
| Cash and Cash Equivalents | \$ 660,007 | \$ 1,999,530 |
| Accounts Receivable | 516 | - |
| Investments | 56,463,342 | 62,399 |
| Total Assets | \$ 57,123,865 | \$ 2,061,929 |
| <hr/> | | |
| Liabilities | | |
| Liabilities | | |
| Accounts payable | \$ - | \$ 34,574 |
| Total Liabilities | - | 34,574 |
| <hr/> | | |
| Net Position Restricted for: | | |
| Individuals, Organizations, and Other Governments | - | |
| Employees' Pension Benefits | 57,123,865 | 2,027,355 |
| Total Net Position | \$ 57,123,865 | \$ 2,027,355 |

The accompanying notes are an integral part of the financial statements.

COUNTY OF INDIANA, PENNSYLVANIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
EMPLOYEE RETIREMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

| | Employee Retirement Trust Fund | Custodial Fund |
|--|--------------------------------------|-------------------|
| Additions: | | |
| Property Taxes Collected for Other Governments | \$ - | \$ 7,620,253 |
| Fees Collected for Other Governments | - | 5,936,790 |
| Inmate Account Collections | - | 353,029 |
| Fees and Fines Collected - Other | - | 1,320,626 |
| Miscellaneous Income | - | 2,194,978 |
| | | |
| Contributions: | | |
| Employee | 991,006 | - |
| County Contribution | 500,000 | - |
| | 1,491,006 | - |
| Investment Income: | | |
| Net increase in fair value of assets | 4,885,233 | - |
| Interest and Dividends | 965,263 | 11,063 |
| | 5,850,496 | 11,063 |
| Total Investment Income | 5,850,496 | 11,063 |
| Investment Expense | (143,886) | - |
| | 5,706,610 | 11,063 |
| Net Investment Income | 5,706,610 | 11,063 |
| Total Additions | 7,197,616 | 17,436,739 |
| Deductions: | | |
| Employee Benefits Paid | 2,627,087 | - |
| Administrative Expenses | 75,798 | - |
| Taxes Collected for Other Governments | - | 7,009,425 |
| Payments to Other Individuals | - | 259,834 |
| Fees Collected for Other Governments | - | 6,679,026 |
| Inmate Disbursements | - | 331,635 |
| Payments to Other Entities | - | 2,314,439 |
| | 2,702,885 | 16,594,359 |
| Total Deductions | 2,702,885 | 16,594,359 |
| Net Increase | 4,494,731 | 842,380 |
| Restricted Net Position | | |
| Beginning of Year, as restated | 52,629,134 | 1,184,975 |
| End of Year | \$ 57,123,865 | \$ 2,027,355 |

The accompanying notes are an integral part of the financial statements.

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the County's significant accounting policies consistently applied in the preparation of the accompanying financial statements is as follows:

The County of Indiana (the "County") was formed in 1803. The County operates under the direction of an elected three member Board of Commissioners and provides the following services: general administrative services, tax assessment and collections, judicial, public improvements, public safety, public works, human services, culture and recreation, and conservation and development. The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units, as prescribed by the Governmental Accounting Standards Board ("GASB").

A) Reporting Entity

The County follows the criteria promulgated by the Governmental Auditing Standards Board ("GASB") No. 61 for purposes of determining the scope of its reporting entity. As required by accounting principles generally accepted in the United States of America, the financial statements include those of the County of Indiana, Pennsylvania (the "Primary Government") and its Component Units. The Component Units discussed below are included in the County's financial reporting entity because of their operational or financial relationship with the County.

1. Component Units

In conformity with GAAP, the financial statements of Component Units have been included in the financial reporting entity either as a Blended Component Unit or as a Discretely Presented Component Unit.

a. Blended Component Unit

Some component units, despite being legally separate from the primary government, are so intertwined with the primary government that they are, in substance, the same as the primary government and are reported as part of the primary government. The only component unit reported in this way is The Communities at Indian Haven, Inc.

The Communities at Indian Haven, Inc. (Indian Haven) is a 108 bed skilled nursing facility located in Indiana, Pennsylvania.

Indian Haven reports on a calendar year basis.

The Indiana County Employee's Retirement Fund is considered a blended Fiduciary Component Unit under the Government Accounting Standards Board Statement No. 84.

b. Discretely Presented Component Units

In conformity with GAAP, the financial statements of the Component Units described below have been included in the financial reporting entity as discretely presented Component Units.

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A) Reporting Entity (Continued)

1. Component Units (Continued)

b. Discretely Presented Component Units (Continued)

The Highridge Water Authority (the "Water Authority") was created pursuant to the Municipal Authorities Act of 1945. The organizational meeting was held on April 25, 1991, at which time the By-laws were adopted. The purpose of the Water Authority is to acquire and provide water service to customers in the southern Indiana County and northeastern Westmoreland County areas. The County guarantees the debt of the Water Authority. A copy of the separate Financial Statements can be obtained at the Highridge Water Authority, 17 Maple Avenue, Blairsville, PA 15717.

The Water Authority operates on a calendar year basis.

The Indiana County Municipal Services Authority (the "Municipal Services Authority") is a body politic and corporate organized on April 23, 1972 under provisions of the Act of the General Assembly of the Commonwealth of Pennsylvania, approved May 2, 1945, P.L. 382, as amended and supplemented, known as the Municipality Authorities Act of 1945. The purpose of the Municipal Services Authority is to provide water and sewage service to areas of Indiana, Armstrong and Cambria Counties, Pennsylvania. The County guarantees the debt of the Municipal Services Authority. A copy of the separate Financial Statements can be obtained at the Indiana County Municipal Services Authority, 602 Kolter Drive, Indiana, PA 15701.

The Municipal Services Authority operates on a calendar year basis.

2. Related Organizations

The Board of County Commissioners is also responsible for appointing the members of the governing boards of other organizations, but the County's accountability for the organizations does not extend beyond making the appointments. These organizations include:

- Farmland Preservation
- Indiana County Airport Authority
- Indiana County Conservation District
- Indiana County Hospital Authority
- Indiana County Housing Authority
- Indiana County Redevelopment Authority
- Indiana County Solid Waste Authority
- Indiana County Transportation Authority
- Indiana County Development Corporation

COUNTY OF INDIANA, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Joint Venture

The County participates in a joint venture with another governmental entity. Based upon the foregoing criteria, the County has determined that the joint venture should not be included in its financial reporting entity. The Armstrong-Indiana Mental Health and Mental Retardation Program was created for the delivery of various human services activities to the counties of Indiana and Armstrong. The counties exercise joint control and both counties have an ongoing financial responsibility to the joint venture. However, neither county has an ongoing financial interest or equity interest in the joint venture.

Condensed financial information for the joint venture as of and for the year ended June 30, 2020, is as follows:

| | |
|--------------|-------------------|
| Assets | \$ 1,941,355 |
| Liabilities | <u>1,895,858</u> |
| Net Position | <u>\$ 45,497</u> |
| | |
| Revenues | \$ 9,576,945 |
| Expenditures | <u>9,585,097</u> |
| Net Income | <u>\$ (8,152)</u> |

B) Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., statement of net position, and the statement of activities) report information on all the non-fiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely, to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from its legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which direct expenses of a given function, or segment, are affected by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include 1.) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2.) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B) Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available.

Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 365 days of the end of the current fiscal period with the exception of property taxes which must be received within 60 days of the year end to be deemed available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Licenses, operating and capital grants, and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when the cash is received by the County.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during the period.

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Because of their spending measurement focus, expenditure recognition for governmental fund types exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing sources rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County reports the following major governmental funds:

- The General Fund is the primary government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues of this fund are primarily derived from real estate taxes, state and federal grants, and fees for services. Many of the basic activities of the County are accounted for in this fund including operation of general County government, boards, commissions, the court system, and health and welfare services.
- Community Program for Restoration is used to account for a revolving loan program within the County which uses program income from several federal grant programs to make low interest loans to residents of the County for eligible projects such as house repairs or repairs of property damage.
- The Revolving Loan Fund is used to account for the revolving loan program the County administers to stimulate economic development within the County by granting loans with low interest rates to businesses in the County. The loan program was originally established in 1993 with grant funding from the United States Economic Development Administration.
- The CARES Act Fund was established to account for the federal funding received under the CARES Act in 2020. The fund helped with the County's response to the Coronavirus Pandemic.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as an expense. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than an expense.

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The County reports the following major proprietary fund:

- The Communities at Indian Haven, an enterprise fund, is used to account for the operations of the County's nursing home.

The Communities at Indian Haven functions as a business-type activity, as defined by the Governmental Accounting Standards Board (GASB). Indian Haven's financial statements have been prepared using the economic resource focus and the accrual basis of accounting.

Additionally, the County reports the following fiduciary fund types:

- The Indiana County Employee's Retirement System Fund is a Pension Trust Fund used to account for the pension plan contributions of the County and its employees and the related benefit payments and other plan costs.
- The Agency Fund is used to account for assets held by certain County offices that are subsequently disbursed to the County, other governments, and other activities for which is was collected.

D) Assets, Liabilities, and Net Position or Fund Balance

1. Cash and Cash Equivalents

The County considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

2. Investments

Investments of the County are reported at fair value. Investments that do not have an established market value are reported at estimated values.

3. Interfund Transactions

The County affects a variety of transactions between funds to finance operations. Certain interfund transactions have not been paid or received as of December 31, 2020, and appropriate interfund receivables or payables have been established accordingly.

Any residual balances outstanding between the governmental activities and business-type activities are reported as internal balances in the government-wide financial statements.

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activity column in the government-wide financial statements. Property, plant and equipment with initial, individual costs that equal or exceed \$5,000 and estimated useful lives of over one year are recorded as capital assets. The County adopted the provisions of GASB 34 related to infrastructure on the retroactive basis. Capital assets are recorded at historical costs or

COUNTY OF INDIANA, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D) Assets, Liabilities, and Net Position or Fund Balance (Continued)

4. Capital Assets (Continued)

estimated historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are completed.

Capital assets of the County are depreciated using the straight line method over the following intended useful lives:

| <u>Asset</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings and Improvements | 20-40 |
| Equipment and Vehicles | 5-15 |
| Infrastructure | 50 |

5. Allowance for Doubtful Accounts

Taxes receivable have been reported net of allowance for doubtful accounts of \$600,606.

6. Long-Term Obligations

In the government-wide financial statements, long-term debt is reported as liabilities in the Statement of Net Position and bond discounts and premiums are deferred and amortized over the life of the bonds using the straight line method.

In the fund financial statements, the face amount of debt issued is reported as other financing sources.

7. Compensated Absences

County policy permits employees to accumulate a limited amount of earned but unused vacation and sick leave time. These benefits are payable to employees upon separation of services. All leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is recorded. The computed liability is in compliance with GASB 16, *Accounting for Compensated Absences*.

8. Unearned Revenues

Unearned revenues are reported in the government-wide and enterprise fund financial statements. Unearned revenues represent unearned revenues or revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as unearned revenues. The County deems revenues received within 365 days of year end to be available.

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D) Assets, Liabilities, and Net Position or Fund Balance (Continued)

9. Net Position/Fund Balances

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the County, not restricted for any project or other purpose.

GASB Statement No. 54 establishes accounting and financial standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions as follows:

- Non-spendable – This classification consists of accounts that cannot be spent because they are not in spendable form or are legally required to be maintained intact.
- Restricted – This classification consists of amounts that are restricted to specific purposes. The County's restricted fund balances consist of external enabling legislation for the state, federal, or local government.
- Committed – This classification consists of amounts used for specific purposes imposed by formal action of the County's Board of Commissioners. The removal or modification of the use of committed funds can only be accomplished by a formal action of the Commissioners prior to fiscal year end.
- Assigned – This classification consists of amounts constrained by the County's intent to be used for specific purposes that are neither restricted or committed. The County Commissioners have delegated the authority to assign fund balance for specific purposes to the Financial Supervisor.
- Unassigned – This classification consists of amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund permitted to report a positive unassigned fund balance.

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D) Assets, Liabilities, and Net Position or Fund Balance (Continued)

The County's GASB 54 policy is to first apply expenditures against any restricted fund balances, committed fund balances, assigned fund balances, and then unassigned fund balances, in that order.

10. Accounting Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts may differ from those estimates.

11. Deferred Inflows of Resources

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government only has one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

12. Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Deferred outflows of resources related to pensions are described further in Note 8. The components of deferred outflows of resources, other than the difference between the projected and actual investment earnings on investments, are amortized into pension expense over a 7.2 year closed period, which reflects the weighted average remaining service life of all members of the plan beginning the year in which the deferred amount occurs (current year). The annual difference between the projected and actual earnings on plan investments is amortized over a five-year closed period beginning the year in which the difference occurs (current year).

13. Adoption of Governmental Accounting Standards Board Statements

The County adopted the requirements of GASB Statement No. 84, "Fiduciary Activities". The adoption of this statement resulted in a restatement of Fiduciary Net Position and the addition of the Statement of Changes in Fiduciary Net Position as well as the inclusion of the Retirement Fund as a Fiduciary Component Unit.

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)

13. Adoption of Governmental Accounting Standards Board Statements
(Continued)

The County adopted the requirements of GASB Statement No. 90 "Majority Equity Interests (an Amendment of GASB Statements No. 14 and No. 61)". The adoption of this statement had no effect on the County's financial statements.

The County adopted certain requirements of GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32". The adoption of the certain requirements of this statement had no effect on previously reported amounts.

14. Pending Changes in Accounting Principles

In June 2017, the GASB issued Statement No. 87, "Leases". The County is required to adopt Statement No. 87 for its calendar year 2022 financial statements.

In April 2018, the GASB issued Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*". The County is required to adopt Statement No. 88 for its calendar year 2021 financial statements.

In June 2018, the GASB issued Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*". The County is required to adopt Statement No. 89 for its calendar year 2022 financial statements.

In May 2019 the GASB issued Statement No. 91, "*Conduit Debt Obligations*". The County is required to adopt Statement No. 91 for its fiscal year 2023 financial statements.

In January 2020, the GASB issued Statement No. 92, "*Omnibus 2020*". The County is required to adopt Statement No. 92 for its fiscal year 2022 financial statements.

In March 2020, the GASB issued Statement No. 93, "*Replacement of Interbank Offered Rates*". The County is required to adopt Statement No. 93 for its fiscal year 2021 financial statements.

In March 2020, the GASB issued Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*". The County is required to adopt Statement No. 94 for its fiscal year 2023 financial statements.

In May 2020, the GASB issued Statement No. 96, "*Subscription-Based Information Technology Arrangements*". The County is required to adopt Statement No. 96 for its fiscal year 2023 financial statements.

COUNTY OF INDIANA, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Pending Changes in Accounting Principles (Continued)

In June 2020, the GASB issued Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*". The County is required to adopt Statement No. 97 for its fiscal year 2022 financial statements.

In May 2020, the GASB issued Statement No. 98, "*The Annual Comprehensive Financial Report*". The County is required to adopt Statement No. 98 for its fiscal year 2022 financial statements.

The County has not completed the various analysis required to estimate the financial statement impact of these new pronouncements.

E) Component Unit – Summary of Significant Accounting Policies

Highridge Water Authority

Basis of Accounting

The financial statements of the Water Authority have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents

For purposes of the balance sheet, the Water Authority considers non-restricted, highly liquid short-term investments that have an original maturity of three months or less to be cash equivalents.

Property

Property is stated at cost. Depreciation is provided on a straight-line basis over the estimated useful life of the respective asset which lives range from 5 to 125 years. Maintenance and repairs are charged to income as incurred and renewals and betterments are capitalized.

Goodwill

The excess acquisition cost over the fair market value of net position acquired is being amortized using the straight-line method over a period of 40 years. Amortization expense for 2020 amounted to \$73,985.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E) Component Unit – Summary of Significant Accounting Policies (Continued)

Indiana County Municipal Services Authority

Basis of Accounting

The financial statements of the Municipal Services Authority have been prepared on the accrual basis of accounting.

Cash and Cash Equivalent

The Municipal Services Authority considers all liquid investments that are readily convertible to cash with an original maturity of three months or less to be cash equivalents.

Accounts Receivable – Trade

Accounts receivable – trade are reported at net realizable value. Accounts are charged to bad debt expense when deemed uncollectible based on a periodic review by management. The allowance for doubtful accounts is estimated based upon periodic review of individual accounts. The allowance for doubtful accounts was approximately \$525,000.

Designated Assets

Designated assets consist of cash and money market accounts that are designed for the following purposes:

Debt Service Fund – Established to account for funds held for payment of principal and interest on water and sewer revenue bonds designated by bond indentures as debt service reserves.

Debt Service Reserve and Repair Fund – Established in compliance with requirements of the United States Department of Agriculture, Rural Utilities Service (“RUS”) notes to accumulate funds for the purpose of paying the cost of repairing or replacing any damage of the water system which may be caused by any unforeseen catastrophe.

Construction Fund – Established to control funds from various sources to be used for the purchase and renovation of water and sewage facilities.

Utility Plant

Utility plant is recorded at historical cost and consists of utility plant, equipment, furniture and fixtures. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E) Component Unit – Summary of Significant Accounting Policies (Continued)

Indiana County Municipal Services Authority (Continued)

Capital Grants and Contributions

The Municipal Services Authority receives capital grants from certain federal and state agencies to be used for various purposes connected with the planning and construction of water and sewage systems and equipment. Capital grants of the Municipal Services Authority are reported as revenue rather than contributed capital as required by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2: BUDGETARY DATA

Commonwealth of Pennsylvania statutes require that all County Governments establish budgetary systems and approve annual operating budgets. The County's annual budget relates to only the General Fund and the Liquid Fuels Fund, and is based on estimates of revenues and expenditures approved by the Board of County Commissioners. The County of Indiana adopted the 2020 budget on the same basis of accounting as reported in the fund financial statements. The County of Indiana follows these procedures in establishing the budgetary data reflected in the financial statements:

County Budget Process

1. During the fall, preliminary individual budgets are prepared by each department or agency and are reviewed by the Commissioners.
2. During November, the County Commissioners, or their designee, meet with the head of each department and agency to review proposed changes to the preliminary budget.
3. The Commissioners' Office then reassembles the preliminary budget data and prepares a final budget draft including all proposed expenditures and the financing plan, incorporating any revisions or adjustments evolving from the departmental meetings.
4. In early December, the final budget is presented at a public Commissioners' meeting. In accordance with statutes contained in the County Code, public notice is given that the proposed budget is available for inspection for a twenty-day period.
5. Prior to December 31, after the twenty-day inspection period, the County Commissioners, at a public meeting properly announced, the final budget is adopted by resolution.

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 2: BUDGETARY DATA (CONTINUED)

6. Formal budgeting integration is employed as a planning device. The budget adopted is on the modified accrual basis. Budget amounts are as originally adopted, or as amended by the County Commissioners.

- Level of Control

The County maintains budgeting control at the individual fund level.

- Lapsing of Appropriations

Unexpended appropriations lapse at year-end.

Management Amendment Authority

During the course of the year, departmental needs may change, emergencies may occur, or additional revenue sources may arise. As a result, funds are occasionally transferred between line items of the department's budget or additional revenue may need to be budgeted for a specific project or grant. Adjustments to the budget are made on a line item basis during the year and are approved by the County Commissioners. Financial analysis is provided monthly to management showing spending levels in comparison to the current budget. The budget is also reviewed by management with other departments.

NOTE 3: DEPOSIT AND INVESTMENT RISK

As of December 31, 2020, the County had the following investments:

| | <u>Cost</u> | <u>Market</u> |
|-----------------------------|----------------------|----------------------|
| Governmental Funds | | |
| Nonmajor Governmental Funds | | |
| Certificates of Deposit | \$ 111,364 | \$ 111,364 |
| Total Governmental Funds | <u>111,364</u> | <u>111,364</u> |
| Fiduciary Funds | | |
| Agency Funds | | |
| Certificates of Deposit | 62,399 | 62,399 |
| Retirement Fund | | |
| Fixed Income Securities | 19,171,618 | 19,233,528 |
| Domestic Equities | 15,982,288 | 24,677,535 |
| International Equities | 6,000,000 | 6,133,045 |
| Real Estate/Alternative | <u>3,512,804</u> | <u>6,419,234</u> |
| Total Fiduciary Funds | <u>44,729,109</u> | <u>56,525,741</u> |
| Total Investments | <u>\$ 44,840,473</u> | <u>\$ 56,637,105</u> |

Interest Rate Risk – The County does not have a formal investment policy for the County's operating funds that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The County's Retirement Fund investment policy states that the trustees exercise good judgment in the selection of securities or in the selection of a plan administrator.

COUNTY OF INDIANA, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2020

NOTE 3: DEPOSIT AND INVESTMENT RISK (CONTINUED)

Credit Risk – The County has no formal investment policy for its operating funds that addresses credit risk. As of December 31, 2020, the County’s operating investments were all maintained in Certificates of Deposit.

Custodial Credit Risk – For deposits and investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of December 31, 2020, the County’s cash balances for its governmental activities, business-type activities and custodial fund were \$24,841,796 and its bank balances were \$25,086,142. Of these bank balances, \$24,060,202 was collateralized with securities held by the pledging financial institutions, or by their trust departments or agents, but not in the County’s name. The entire cash and cash equivalent balance in the Retirement Fund of \$660,007 was collateralized with securities held by the pledging financial institutions, or by their trust departments or agents, but not in the County’s name. None of the County’s retirement investments were exposed to custodial credit risk at December 31, 2020 because the custodians hold the securities in an account that designates the County as the owner of the securities.

Concentration of Credit Risk – The County has no formal investment policy for operating investments pertaining to the concentration of credit risk. At December 31, 2020, the County is not subject to concentration of credit risk.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At December 31, 2020, the County had the following recurring fair value measurements:

| <u>Investments measured by fair value level</u> | <u>12/31/20</u> | <u>Fair Value Measurements Using</u> | | |
|---|----------------------|--------------------------------------|----------------|----------------|
| | | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
| Certificates of Deposit | \$ 173,763 | \$ 173,763 | \$ - | \$ - |
| Corporate Bonds | 19,233,528 | 19,233,528 | - | - |
| Common Stock | 24,677,535 | 24,677,535 | - | - |
| International Stock | 6,133,045 | 6,133,045 | - | - |
| Mutal Funds | 6,419,234 | 6,419,234 | - | - |
| Total investments by fair value level | <u>\$ 56,637,105</u> | <u>\$ 56,637,105</u> | <u>\$ -</u> | <u>\$ -</u> |

Component Unit

Indiana County Municipal Services Authority

At December 31, 2020, the carrying amount of the Authority’s cash deposits was \$2,098,470 and the bank balance was \$2,268,124. Of the bank balance, \$1,768,124 was not covered by federal depository insurance. The Authority grants credit without collateral to its customers. The Authority’s service area is located in portions of Indiana, Armstrong, and Cambria Counties, Pennsylvania. The Authority charges residents within its service area based upon usage and connection charges. The ability of each of the Authority’s customers to honor their obligations to the Authority is dependent upon economic and other factors affecting the customers.

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 4: PROPERTY TAXES

Real Estate Property Taxes

Real estate property taxes for the calendar year are levied on March 1 of each year. Any unpaid real estate taxes attach as an enforceable lien on property as of January 1 of the following year. Taxes are levied on March 1 and payable with a 2% discount to April 30, with no discount or penalty to June 30, and with a 5% penalty from July 1 to December 31. In some instances certain tax collectors have been allowed to extend the discount and face value periods due to unusual office hours of these tax collectors by a few days. The County bills these taxes which are collected by local tax collectors.

The County is permitted by the County Code of the Commonwealth of Pennsylvania to levy real estate taxes up to 30 mills on every dollar of adjusted valuation for general County purposes exclusive of the requirements for the payment of interest and principal on bonded or funded debt. In 2020 the County had total millage of 4.445, of which .81 mill was reserved for principal and interest on debt, and 3.635 mills for general county purposes.

The County's 2020 real estate taxes are based on assessed values established by the County's Bureau of Assessments. The County had a complete reassessment from 2015 to 2018 with assessed valuation of \$4,860,733,387 in 2016 to \$4,773,816,035 in 2019. The County was able to lower the millage rate from 37.40 to 4.445 mills. Assessed values of real property are generally 100% of the market value as determined by the Indiana County Tax Assessment Office. The total 2020 real estate taxes levied was \$21,175,644 based on a total County assessed valuation of \$4,763,924,400. Based on the 2020 levy of 4.445 mills, a property owner would pay \$4.445 per \$1,000 of assessed valuation.

NOTE 5: LOANS RECEIVABLE

The County has various loans outstanding that are used for multiple purposes within the County. The County has 6 revolving loan programs in which the County loans money to local small businesses or home owners for various reasons - home repairs, working capital for the businesses, new equipment for the businesses, etc. These loans are reported in the Enterprise Zone, Community Program for Restoration, Revolving Loan, Emergency Repair, Community Revitalization Program, and Affordable Housing Funds and had a total balance of \$3,185,700 as of December 31, 2020. All loans are fully deferred at the fund level.

The County also contracts with the Indiana County Development Corporation (ICDC) in which the County obtains loans and immediately loans that money to ICDC with the same terms. The activity on these loans is reported in the General Fund. All loans are fully deferred in the General Fund at the fund level.

The County also has a loan with the Kovalchick Convention and Athletic Complex.

A summary of the long-term General Fund receivables is shown on the following page:

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 5: LOANS RECEIVABLE (CONTINUED)

| | Balance at <u>December 31, 2019</u> | Payments Received <u>from Others</u> | Amounts Loaned <u>to Others</u> | Balance at <u>December 31, 2020</u> |
|---|--|--|---------------------------------------|--|
| KCAC Project | \$ 473,919 | \$ - | \$ - | \$ 473,919 |
| Housing Authority | 56,000 | 56,000 | - | - |
| Corporate Campus Multi-Tenant Building Loan | 608,951 | 235,856 | - | 373,095 |
| Indian Springs Multi-Tenant Building Loan | <u>5,487,443</u> | <u>292,254</u> | <u>-</u> | <u>5,195,189</u> |
| Total | <u>\$ 6,626,313</u> | <u>\$ 584,110</u> | <u>\$ -</u> | <u>\$ 6,042,203</u> |

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was as follows:

| GOVERNMENTAL ACTIVITIES | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|---------------------|---------------------|---------------------------|
| Capital Assets, Not Being Depreciated: | | | | |
| Land | \$ 2,085,470 | \$ - | \$ - | \$ 2,085,470 |
| Construction in Progress | <u>140,336</u> | <u>4,987,334</u> | <u>(140,335)</u> | <u>4,987,335</u> |
| Total Capital Assets, Not Being Depreciated | <u>2,225,806</u> | <u>4,987,334</u> | <u>(140,335)</u> | <u>7,072,805</u> |
| Capital Assets, Being Depreciated: | | | | |
| Building and Improvements | 65,705,188 | 1,405,757 | - | 67,110,945 |
| Equipment and Vehicles | 32,020,785 | 1,122,073 | (69,586) | 33,073,272 |
| Infrastructure | <u>18,266,353</u> | <u>-</u> | <u>-</u> | <u>18,266,353</u> |
| Total Capital Assets, Being Depreciated | <u>115,992,326</u> | <u>2,527,830</u> | <u>(69,586)</u> | <u>118,450,570</u> |
| Less Accumulated Depreciation For: | | | | |
| Buildings and Improvements | (26,800,523) | (2,062,778) | - | (28,863,301) |
| Equipment and Vehicles | (19,654,032) | (2,481,820) | 69,651 | (22,066,201) |
| Infrastructure | <u>(6,641,391)</u> | <u>(104,518)</u> | <u>-</u> | <u>(6,745,909)</u> |
| Total Accumulated Depreciation | <u>(53,095,946)</u> | <u>(4,649,116)</u> | <u>69,651</u> | <u>(57,675,411)</u> |
| Total Capital Assets, Being Depreciated, Net | <u>62,896,380</u> | <u>(2,121,286)</u> | <u>65</u> | <u>60,775,159</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 65,122,186</u> | <u>\$ 2,866,048</u> | <u>\$ (140,270)</u> | <u>\$ 67,847,964</u> |
| | | | | |
| BUSINESS-TYPE ACTIVITIES | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
| Capital Assets, Being Depreciated: | | | | |
| Building and Improvements | \$ 4,677,872 | \$ 17,554 | \$ (5,182) | \$ 4,690,244 |
| Equipment and Vehicles | 3,972,019 | 295,775 | (47,230) | 4,220,564 |
| Capital Interest | <u>165,318</u> | <u>-</u> | <u>-</u> | <u>165,318</u> |
| Total Capital Assets, Being Depreciated | <u>8,815,209</u> | <u>313,329</u> | <u>(52,412)</u> | <u>9,076,126</u> |
| Less Accumulated Depreciation | (7,821,296) | (141,819) | 16,019 | (7,947,096) |
| Total Capital Assets, Being Depreciated, Net | <u>993,913</u> | <u>171,510</u> | <u>(36,393)</u> | <u>1,129,030</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 993,913</u> | <u>\$ 171,510</u> | <u>\$ (36,393)</u> | <u>\$ 1,129,030</u> |

COUNTY OF INDIANA, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2020

NOTE 6: CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

| | |
|---|--------------------|
| Governmental Activities: | |
| General Government-Administrative | \$ 262,324 |
| General Government-Judicial | 89,838 |
| Public Safety | 2,907,832 |
| Public Works | 1,151,789 |
| Human Services | 52,456 |
| Culture and Recreation | 182,277 |
| Conservation and Development | <u>2,600</u> |
| Total Depreciation Expense-Governmental Activities | <u>\$4,649,116</u> |
| Business-Type Activities: | |
| Human Services | <u>\$ 141,819</u> |
| Total Depreciation Expense-Business-Type Activities | <u>\$ 141,819</u> |

Component Unit – Capital AssetsHighridge Water Authority

Capital assets and accumulated depreciation as of December 31, 2020 is as follows:

Highridge Water Authority

| | |
|-------------------------------|----------------------|
| Buildings | \$ 39,756,737 |
| Land and improvements | <u>13,614,776</u> |
| Total | 53,371,513 |
| Less accumulated depreciation | <u>25,342,193</u> |
| Capital Assets, net | <u>\$ 28,029,320</u> |

COUNTY OF INDIANA, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2020

NOTE 6: CAPITAL ASSETS (CONTINUED)

Component Unit – Capital Assets (Continued)Indiana County Municipal Services Authority

Capital assets and accumulated depreciation as of December 31, 2020 is as follows:

| | |
|---|----------------------|
| Indiana County Municipal Services Authority | |
| Fixed equipment | \$ 138,572,227 |
| Moveable equipment | 932,092 |
| Vehicles | 654,383 |
| Construction in progress | <u>2,817,902</u> |
| Total | 142,976,604 |
| Less accumulated depreciation | <u>54,536,522</u> |
| Capital Assets, net | <u>\$ 88,440,082</u> |

NOTE 7: RESTRICTED ASSETS

Business Type Activities

The County has restricted cash of \$563 in the business type activities which is restricted for capital purchases and repairs to existing capital assets.

The County also has restricted cash of \$11,760 that is owed to residents of the nursing home.

Component Unit – Designated AssetsIndiana County Municipal Services Authority

Restricted Assets at December 31, 2020 are as follows:

| | |
|--------------------------------------|---------------------|
| Debt Service Fund | \$ 582,308 |
| Debt Service Reserve and Repair Fund | 1,718,722 |
| Construction Fund | <u>76,283</u> |
| Total | <u>\$ 2,377,313</u> |

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND

The Indiana County Employee's Retirement System (the "Plan") is a single-employer defined benefit pension plan that covers all full time employees of the County. The Plan provides retirement, disability and death benefits to Plan members and their beneficiaries. The Plan is part of the County's financial reporting entity and is included in the County's financial statements as a Pension Trust Fund.

COUNTY OF INDIANA, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2020

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Summary of Significant Accounting Policies

Method used to value investments. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. An independent appraisal should be obtained once every year to determine the fair market value of the real estate assets.

Description of Plan

Plan Administration. The Retirement Board administers the Plan. The Plan is governed by the 1971 County Pension Law, Act 96, of the General Assembly of the Commonwealth of Pennsylvania, as amended (the "Act"). Benefit and contribution provisions of the Plan are established and can be amended as provided by the Act. Cost of living adjustments are provided at the discretion of the County Retirement Board.

Management of the Plan is vested in the Board, which consists of five members - three elected County Commissioners, the treasurer, and the chief clerk.

Plan membership. For the 2020 measurement period, pension plan membership consisted of the following:

| | |
|--|------------|
| Inactive plan members or beneficiaries currently receiving benefits | 252 |
| Inactive plan members entitled to but not yet receiving benefits | 47 |
| Active plan members | <u>428</u> |
| | <u>727</u> |

Benefits provided. The Plan provides retirement, disability, and death benefits. Retirement benefits for Plan members are calculated as a percent of the member's highest 3-year average salary times the member's years of service depending on class basis. Plan members with 20 years of service are eligible to retire at age 55. Plan members that have attained age 60 are eligible to retire. All Plan members are eligible for disability benefits after 5 years of service if disabled while in service and unable to continue as a County employee. Disability retirement benefits are equal to 25% of highest average salary at time of retirement. Death benefits for a member who dies with 10 years of service prior to retirement is the total present value of member's retirement paid in a lump sum. A Plan member who leaves County service with less than 5 years of service may withdraw his or her contributions, plus any accumulated interest.

Contributions. The Retirement Board establishes contribution rates based on an actuarially determined contribution recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. For the year ended December 31, 2020, the minimum required active member contribution rate was 5 percent of annual pay and the County's average contribution rate was 3.0 percent of annual payroll.

Per Act 96 of 1971, as amended, contribution requirements of the Plan members and the County may be amended by the General Assembly of the Commonwealth of

COUNTY OF INDIANA, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2020

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Pennsylvania. Interest is credited each year in an amount allowed by the County Retirement Board to each member's account.

Administrative costs of the Plan may be financed through investment earnings. The Act makes no provision for termination of the Plan. The County does not issue a separate financial report for the Plan.

Legally Required Reserves

At December 31, 2020, the County has a balance of \$11,514,991 in the Members' Annuity Reserve Account. This account is the total of the contributions deducted from the salaries of the active and terminated vested members of the retirement system and the IRC 414(h)(2) pickup contributions together with the interest additions as of December 31, 2020. Since these accumulations represent the present value as of December 31, 2020 of future benefits, the reserve balance and liability are identical.

The County has a balance of \$7,792,669 in the County Annuity Reserve Account as of December 31, 2020. This balance and the amounts expected to be credited in the future, plus investment earnings, represent the reserves set aside for the payment of the County's share of the retirement allowances and this reserve is fully funded.

This is the account out of which regular interest is credited to the member's annuity and retired members' reserve account, administrative expenses may be paid and the pension obligations of the County are funded.

When a County annuity is scheduled to commence for a particular member, sufficient monies are transferred from the County annuity reserve account to the retired members' reserve account to provide for such County annuities actually entered into.

The Retired Members' Reserve Account is the account out of which monthly retirement allowances, including cost-of-living adjustments and death benefits are paid. The balance in this account was \$26,019,574 as of December 31, 2020. The corresponding liability for those annuitants on the roll is identical.

Plan Reporting

Net Pension Liability of the County

The total pension liability was based on an actuarial valuation dated January 1, 2020 and update procedures were used to rollforward the total pension liability to the December 31, 2020 measurement date. The components of the net pension liability of the County for the 2020 measurement period were as follows:

| | |
|-----------------------------|------------------------------|
| Total Pension Liability | \$ 53,684,274 |
| Plan Fiduciary Net Position | <u>57,123,865</u> |
| Net Pension Asset | <u><u>\$ (3,439,591)</u></u> |

| | |
|--|---------|
| Plan Fiduciary net position as a percentage of the total pension liability | 106.41% |
|--|---------|

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

The net pension liability breakdown for governmental activities and business type activities was as follows:

| | Governmental <u>Activities</u> | Business Type <u>Activities</u> |
|-----------------------|-----------------------------------|------------------------------------|
| Net Pension Liability | \$ (2,696,639) | \$ (742,952) |

Changes in the County's net pension liability for the plan for the year ended December 31, 2020 were as follows:

| | <u>Increase/(Decrease)</u> | | |
|---|-----------------------------------|--------------------------------------|--|
| | Total Pension Liability (a) | Pan Fiduciary Net Position (b) | Net Pension Liability/(Asset) (a) - |
| Balances at 12/31/2019 | \$ 51,260,908 | \$ 52,629,134 | \$ (1,368,226) |
| Service Cost | 1,441,239 | - | 1,441,239 |
| Interest Cost | 3,719,355 | - | 3,719,355 |
| Changes in Benefit Terms | - | - | - |
| Changes for Experience | (110,141) | - | (110,141) |
| Changes of Assumptions | - | - | - |
| Contributions - Employer | - | 500,000 | (500,000) |
| Contributions - Member | - | 991,006 | (991,006) |
| Net Investment Income | - | 5,706,610 | (5,706,610) |
| Benefit Payments, including Refunds of Member Contributions | (2,627,087) | (2,627,087) | - |
| Administrative Expenses | - | (75,798) | 75,798 |
| Other Changes | - | - | - |
| Net Changes | <u>\$ 2,423,366</u> | <u>\$ 4,494,731</u> | <u>\$ (2,071,365)</u> |
| Balances at 12/31/2020 | <u>\$ 53,684,274</u> | <u>\$ 57,123,865</u> | <u>\$ (3,439,591)</u> |

Deferred (Inflows) Outflows of Resources

The total pension expense recognized in 2020 for the plan was \$186,423. At December 31, 2020, the County reported deferred outflows of resources related to the pension plan from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences Between Expected and Actual Experience | \$ 119,665 | \$ (197,042) |
| Changes in Assumptions | 420,286 | |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | - | (1,718,496) |
| Total | <u>\$ 539,951</u> | <u>\$ (1,915,538)</u> |

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

The deferred inflows of resources will be recognized in pension expense as follows:

| Year ended | Governmental | Business Type |
|--------------|-----------------------|---------------------|
| December 31: | <u>Activities</u> | <u>Activities</u> |
| 2021 | \$ (181,195) | \$ (49,921) |
| 2022 | 229,889 | 63,337 |
| 2023 | (808,019) | (222,617) |
| 2024 | (319,136) | (87,925) |
| | <u>\$ (1,078,461)</u> | <u>\$ (297,126)</u> |

The schedule of changes in the net pension liability and related ratios, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about the Plan.

Plan Actuarial Methods and Assumptions

Actuarial assumptions. The total pension liability was determined by an actuarial valuation for the 2020 measurement period, using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 3.0 percent |
| Salary increases | 3.5 percent, average, including inflation |
| Investment rate of return | 7.25 percent, net of pension plan investment expense, including inflation |

Mortality rates were based on the RP-2013 Annuitant and Non-Annuitant Mortality Tables for Males and Females with no projected improvement.

The actuarial assumptions used in the valuation for the 2020 measurement period were based on past experience under the Plan and reasonable future expectations which represent our best estimate of anticipated experience under the Plan. An actuarial experience study was performed in 2016; however, no modifications to assumptions were made as a result.

Under the Act, cost-of-living adjustments to each member's retirement allowance shall be reviewed at least once every three years subsequent to the member's retirement date. The adjustment, should the Plan elect to give one, is a percentage of the change in the Consumer

Price Index. The Plan did not include an assumption for projected ad hoc postemployment benefit changes as they are not considered to be substantively automatic.

Investment policy. The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Plan Actuarial Methods and Assumptions (Continued)

The following was the Board's asset allocation policy for the 2020 measurement period:

| <u>Asset Class</u> | <u>Target Allocation</u> |
|-------------------------|--------------------------|
| Domestic equity | 40% |
| International equity | 10% |
| Fixed income | 30% |
| Real Estate/Alternative | 20% |
| Cash | <u>0%</u> |
| Total | <u>100%</u> |

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation for the 2020 measurement period (see the discussion of the pension plan's investment policy) are summarized in the following table:

| <u>Asset Class</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-------------------------|---|
| Domestic equity | 5.4-6.4% |
| International equity | 5.5-6.5 |
| Fixed income | 1.3-3.3 |
| Real Estate/Alternative | 4.5-5.5 |
| Cash | 0.0-1.0 |

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the actuarially determined contribution rates in accordance with the County's recently adopted funding policy. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.25 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

| | 1% Decrease <u>(6.25%)</u> | Current Discount Rate <u>(7.25%)</u> | 1% Increase <u>(8.25%)</u> |
|--------------------------------|----------------------------------|--|----------------------------------|
| County's net pension liability | \$2,353,930 | \$(3,439,591) | \$(8,103,266) |

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 8: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Plan Actuarial Methods and Assumptions (Continued)

Rate of return. For the 2020 measurement period, the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was 10.6 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Component Unit – Retirement Plan

Highridge Water Authority

The Water Authority adopted a retirement plan covering all eligible employees effective January 1, 1995. Terms of the plan require Authority contributions at 50 cents per hour worked on a monthly basis. Participants are 100% vested after 5 years. Contributions for 2020 amounted to \$27,248.

Indiana County Municipal Services Authority

The Municipal Services Authority has a defined contribution retirement plan which provides retirement benefits for all full-time employees. The Authority contributed an amount equal to 5% of the full-time employees' gross salaries. Employees become 10% vested after two years of employment. An additional 20% is vested for each additional year of employment until they are fully vested after 7 years. Pension expense was approximately \$72,000.

NOTE 9: LINE OF CREDIT

Component Unit – Line of Credit

Indiana County Municipal Services Authority

The Municipal Services Authority has available a \$250,000 unsecured line of credit with First Commonwealth Bank, which is due on demand, with interest at 75% of the prime rate (2.75% at December 31, 2020). There was no balance at December 31, 2020.

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 10: LONG-TERM OBLIGATIONS

A summary of changes in long-term debt obligations for 2020 is as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Amounts Due Within One Year |
|---|----------------------|----------------------|-----------------------|----------------------|-----------------------------------|
| <u>Governmental Activities</u> | | | | | |
| Bonds and Notes Payable: | | | | | |
| General Obligation Notes | \$ 42,710,308 | \$ 10,759,590 | \$ (8,277,716) | \$ 45,192,182 | \$ 3,225,827 |
| Total Bonds and Notes Payable | <u>42,710,308</u> | <u>10,759,590</u> | <u>(8,277,716)</u> | <u>45,192,182</u> | <u>3,225,827</u> |
| Other Liabilities: | | | | | |
| Capital Lease Obligations | 884,126 | 394,985 | (251,366) | 1,027,745 | 274,374 |
| Compensated Absences | <u>805,692</u> | <u>142,841</u> | <u>-</u> | <u>948,533</u> | <u>-</u> |
| Total Other Liabilities | <u>1,689,818</u> | <u>537,826</u> | <u>(251,366)</u> | <u>1,976,278</u> | <u>274,374</u> |
| Governmental Activities Long-Term Liabilities | <u>44,400,126</u> | <u>11,297,416</u> | <u>(8,529,082)</u> | <u>47,168,460</u> | <u>3,500,201</u> |
| <u>Business-Type Activities</u> | | | | | |
| Capital Lease Obligations | \$ 2,873 | \$ - | \$ (2,873) | \$ - | \$ - |
| Business-Type Activities Long-Term Liabilities | <u>\$ 2,873</u> | <u>\$ -</u> | <u>\$ (2,873)</u> | <u>\$ -</u> | <u>\$ -</u> |
| Total | <u>\$ 44,402,999</u> | <u>\$ 11,297,416</u> | <u>\$ (8,531,955)</u> | <u>\$ 47,168,460</u> | <u>\$ 3,500,201</u> |

An analysis of debt service requirements to maturity for the governmental and business-type activities on these obligations follows (with the exception of capital leases and compensated absences liability):

Governmental Activities

| Year Ended December 31 | Principal Requirements | Interest Requirements | Total Debt Service Requirements |
|------------------------|---------------------------|--------------------------|------------------------------------|
| 2021 | \$ 3,225,827 | \$ 1,155,804 | \$ 4,381,631 |
| 2022 | 2,981,922 | 1,034,044 | 4,015,966 |
| 2023 | 2,926,642 | 894,454 | 3,821,096 |
| 2024 | 2,999,451 | 756,072 | 3,755,523 |
| 2025 | 3,112,379 | 678,616 | 3,790,995 |
| 2026-2030 | 16,410,912 | 2,380,467 | 18,791,379 |
| 2031-2035 | 11,921,049 | 510,781 | 12,431,830 |
| 2036-2040 | 934,000 | 152,589 | 1,086,589 |
| 2041-2045 | 473,000 | 64,950 | 537,950 |
| 2046-2047 | <u>207,000</u> | <u>8,174</u> | <u>215,174</u> |
| Total | <u>\$ 45,192,182</u> | <u>\$ 7,635,951</u> | <u>\$ 52,828,133</u> |

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 10: LONG-TERM OBLIGATIONS (CONTINUED)

Pertinent information regarding long-term debt obligations outstanding is presented below:

Governmental Activities

| Issuance | Amount of Original Issue | Purpose | Balance Outstanding December 31, 2020 |
|---------------------|-----------------------------|---|--|
| Series C of 2005 | \$ 4,250,000 | To finance the construction of a multi-tenant building at the Indiana County Corporate Campus. The note has an interest rate of 3.97%. This note was loaned to ICDC under the same terms. | \$ 373,096 |
| 2006 | \$ 8,000,000 | To finance the construction of a multi-tenant building on Indian Springs Road. The note has an interest rate of 4.76% per annum and a final maturity of July 2033. This note was loaned to ICDC under the same terms. | \$ 5,195,188 |
| Series A of 2013 | \$ 3,500,000 | To refinance GON, Series B of 2010. The note has an interest rate of 3.31% with a final maturity in December 2025. | \$ 1,965,573 |
| Series H of 2015 | \$ 3,800,000 | To refinance and consolidate existing outstanding debt. The note has an interest rate of 4.55% with a final maturity in December of 2021. | \$ 177,149 |
| Series A of 2017 | \$ 9,116,639 | To refinance and consolidate existing outstanding debt. The note has an interest rate of 2.40% with a final maturity in December of 2032. | \$ 8,638,422 |
| Series A of 2018 | \$ 8,935,810 | To refinance and consolidate existing outstanding debt. The note has an interest rate of 2.415% with a final maturity in November of 2032. | \$ 8,155,153 |
| Series B of 2018 | \$ 7,200,000 | To refinance and consolidate existing outstanding debt. The note has an interest rate of 2.243% with a final maturity in October of 2028. | \$ 5,509,417 |
| Series C of 2018 | \$1,879,104 | To refinance and consolidate existing outstanding debt. The note has an interest rate of 2.324% with a final maturity in December of 2028. | \$ 1,508,625 |
| Series D of 2018 | \$4,125,000 | To refinance and consolidate existing outstanding debt. The note has an interest rate of 2.168% with a final maturity in October of 2026. | \$ 2,909,969 |
| Series A of 2020 | \$5,709,000 | To finance the construction of the Westmoreland County Community College/Challenger building in addition to capital and renovation projects at the Courthouse. The note has an interest rate of 2.62% with a final maturity date of December of 2047. | \$ 5,709,000 |
| Series B of 2020 | \$4,918,000 | To finance the construction of the Westmoreland County Community College/Challenger building. This loan is a grant anticipation loan and will be paid off when the grant is received. The note has an interest rate of 2.67% with a final maturity date of December 2023. | \$ 54,590 |
| Series C of 2020 | 710,000.00 | To refinance and consolidate existing outstanding debt. The note has an interest rate of 2.91% with a final maturity in December of 2026. | \$ 710,000 |
| Series D of 2020 | 4,286,000.00 | To refinance and consolidate existing outstanding debt. The note has an interest rate of 2.7% with a final maturity in December of 2031. | \$ 4,286,000 |
| | | | <u>\$ 45,192,182</u> |

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 10: LONG-TERM OBLIGATIONS (CONTINUED)

Governmental Activities (Continued)

Capital Leases

The County has entered into capital leases for equipment to be used in operations. Amortization expense has been included with depreciation. Future minimum lease payments at December 31, 2020 and present value of capital lease obligations were:

| <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Current Portion</u> |
|------------------------------|------------------|-------------------|---------------------------|----------------------------|
| \$ 884,126 | \$ 394,985 | \$ (251,366) | \$ 1,027,745 | \$ 274,374 |

| <u>Year ended December 31</u> | <u>Governmental Activities</u> |
|---|------------------------------------|
| 2021 | \$ 310,358 |
| 2022 | 280,106 |
| 2023 | 239,855 |
| 2024-2029 | <u>328,784</u> |
| Total Minimum Lease Payments | 1,159,103 |
| Less Amount Representing Interest | 131,358 |
| Present Value of Net Minimum Lease Payments | 1,027,745 |
| Less: Amount Due Within One Year | <u>274,374</u> |
| Non-Current Portion | <u>\$ 753,371</u> |

Component Units

In addition to the long-term debt above, the County also guarantees debt for the Indiana County Municipal Services Authority and the Highridge Water Authority. This schedule summarizes the activity on this debt for 2020.

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 10: LONG-TERM OBLIGATIONS (CONTINUED)

Component Units (Continued)Highridge Water Authority

An analysis of debt service requirements to maturity on these obligations follows:

| | Balance as of December 31, 2019 | Additions | Reductions | Balance as of December 31, 2020 |
|-------------------------------------|------------------------------------|---------------------|-----------------------|------------------------------------|
| Debt Guaranteed by Indiana County: | | | | |
| Water Revenue Bonds, Series of 2020 | \$ - | \$ 6,540,000 | \$ - | \$ 6,540,000 |
| Water Revenue Bonds, Series of 2012 | 3,190,000 | - | (3,190,000) | - |
| PennVest Loan | 1,267,961 | - | (261,941) | 1,006,020 |
| Other Long-Term Debt: | | | | |
| PennVest Loan | 3,018,967 | - | (3,018,967) | - |
| PennVest Loan | 167,947 | - | (167,947) | - |
| PennVest Loan | 368,394 | - | (368,394) | - |
| PennVest Loan | 1,424,295 | - | (91,971) | 1,332,324 |
| Indian First Bank Loan | 444,739 | - | (444,739) | - |
| Line of Credit | 86,521 | - | (86,521) | - |
| Total Long-Term Debt | <u>\$ 9,968,824</u> | <u>\$ 6,540,000</u> | <u>\$ (7,630,480)</u> | <u>\$ 8,878,344</u> |

| <u>Year Ended December 31</u> | <u>Principal Payments</u> |
|-------------------------------|---------------------------|
| 2021 | \$ 857,083 |
| 2022 | 868,267 |
| 2023 | 881,503 |
| 2024 | 896,373 |
| 2025 | 911,747 |
| Thereafter | <u>4,463,371</u> |
| Total | <u>\$ 8,878,344</u> |

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 10: LONG-TERM OBLIGATIONS (CONTINUED)

Component Units (Continued)Indiana County Municipal Services Authority

An analysis of debt service requirements to maturity on these obligations follows:

| | Balance as of 2020 |
|------------------------------------|-----------------------|
| Debt Guaranteed by Indiana County: | |
| Sewage Renovation I | \$ 3,998,507 |
| Sewage Renovation III | 1,230,573 |
| Sewage Renovation IV - Cherry Tree | 284,585 |
| Sewage Renovation VI | 814,106 |
| Crooked Creek Water Project | 7,684,583 |
| Cherry Tree Water System Project | 575,867 |
| Other Long-Term Debt: | |
| WR XVIII Interim Financing | 5,062,396 |
| Pennvest WB XX | 278,661 |
| Water Bond Refinance I & II | 509,421 |
| Heilwood Water Bond | 43,546 |
| PennVest Water Bond XV | 787,076 |
| PennVest Water Bond XVI | 1,667,855 |
| West Lebanon Reservoir Bond | 35,315 |
| Water Bond XI | 2,289,463 |
| Water Bond XII | 4,809,282 |
| Water Bond XIII | 3,184,150 |
| Water Bond XVIII | 3,560,352 |
| Vehicle Loan | 89,715 |
| Water Bond XX Interim Financing | 479,388 |
| Pine Grove Sewer Bonds | 7,580,000 |
| Sewage Renovation III Refinance | 253,223 |
| Sewage Renovation V | 217,626 |
| Sewage Renovation X | 1,751,913 |
| Sewage Renovation IX - Alverda | 836,858 |
| Total | <u>\$ 48,024,461</u> |

| <u>Year Ended December 31</u> | <u>Principal Payments</u> |
|-------------------------------|---------------------------|
| 2021 | \$ 3,172,720 |
| 2022-2026 | 13,370,386 |
| 2027-2031 | 12,828,474 |
| 2032-2036 | 11,149,672 |
| 2037-2041 | 5,677,784 |
| 2042-2046 | 1,447,690 |
| Thereafter | <u>377,735</u> |
| Total | <u>\$ 48,024,461</u> |

COUNTY OF INDIANA, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 11: GUARANTEES OF COMPONENT UNITS

The County has agreed to guarantee the Municipal Services Authority's indebtedness. The Municipal Services Authority is required to repay the County for any payments the County makes pursuant to the guarantee. The County has not made any payments on behalf of the Municipal Services Authority as of December 31, 2020. A summary of all guaranteed debt is listed below.

In 2005, the County guaranteed the Municipal Services Authority \$989,074 PennVest Cherry Tree Installment Note. This note matures in May 2037. As of December 31, 2020 the outstanding principal amount of the guarantee is \$575,867.

In 2005, the County guaranteed the Municipal Services Authority \$13,299,915 Crooked Creek Installment Note. This note matures in March 2037. As of December 31, 2020 the outstanding principal amount of the guarantee is \$7,684,583.

In 1999, the County guaranteed the Municipal Services Authority \$6,258,000 Sewer Revenue Notes, Series 1999. These notes mature in April 2039. As of December 31, 2020 the outstanding principal amount of the guarantee is \$3,998,507.

In 2001, the County guaranteed the Municipal Services Authority \$2,770,000 Sewage Renovation III Installment Note. This note matures in March 2033. As of December 31, 2020 the outstanding principal amount of the guarantee is \$1,230,573.

In 2002, the County guaranteed the Municipal Services Authority \$1,351,200 Sewage Renovation VI Installment Note. This note matures in April 2037. As of December 31, 2020 the outstanding principal amount of the guarantee is \$814,106.

In 2003, the County guaranteed the Municipal Services Authority \$1,173,199 Sewage Renovation IV Installment Note. This note matures in June 2025. As of December 31, 2020 the outstanding principal amount of the guarantee is \$284,585.

The County has agreed to guarantee Highridge Water Authority's indebtedness. Highridge Water Authority is required to repay the County for any payments the County makes pursuant to the guarantee. The County has not made any payments on behalf of Highridge Water Authority as of December 31, 2020. A summary of all guaranteed debt is listed below:

In 2020, the County guaranteed Highridge Water Authority \$6,540,000 Water Revenue Notes Series 2020. This note matures in April 2025. As of December 31, 2020 the outstanding principal amount of the guarantee is \$6,540,000.

In 1994, the County guaranteed Highridge Water Authority \$6,715,890 PennVest Installment Note. This note matures in September 2024. As of December 31, 2020 the outstanding principal amount of the guarantee is \$1,006,020.

COUNTY OF INDIANA, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2020

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

Certain funds have paid the expenditures of the other funds and the amounts have not been repaid at year end, resulting in interfund balances. Interfund receivable and payable balances of each major fund as of December 31, 2020, are as follows:

| | <u>Due From Other Funds</u> | <u>Due to Other Funds</u> |
|--------------------------------|---------------------------------|-------------------------------|
| <u>Governmental Fund Types</u> | | |
| General Fund | \$ 1,135,210 | \$ 127,807 |
| Other Governmental Fund Type | <u>152,800</u> | <u>821,921</u> |
| Total Governmental Fund Types | <u>1,288,010</u> | <u>949,728</u> |
| <u>Proprietary Fund</u> | | |
| Communities at Indian Haven | <u>-</u> | <u>338,282</u> |
| Total Proprietary Fund Type | <u>-</u> | <u>338,282</u> |
| Total Interfund Balances | <u>\$ 1,288,010</u> | <u>\$ 1,288,010</u> |

The outstanding balances between the funds result mainly from the time lag between the dates that (1) interfund goods and services are provided, (2) reimbursable expenditures occur, and (3) payments between funds are made.

NOTE 13: INTERFUND OPERATING TRANSFERS

Interfund operating transfers are as follows:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|--------------------------------|-----------------------|-----------------------|
| <u>Governmental Fund Types</u> | | |
| General Fund | \$ 204,734 | \$ 89,486 |
| Other Governmental Funds | <u>75,980</u> | <u>11,081</u> |
| Total Governmental Fund Type | <u>280,714</u> | <u>100,567</u> |
| <u>Proprietary Fund</u> | | |
| Communities at Indian Haven | <u>-</u> | <u>180,147</u> |
| Total Proprietary Fund Type | <u>-</u> | <u>180,147</u> |
| Total Interfund Transfers | <u>\$ 280,714</u> | <u>\$ 280,714</u> |

Certain funds are required to fund a portion or all of the expenses of other funds or cover deficits in those funds. The County records operating transfers to account for these transactions.

COUNTY OF INDIANA, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2020

NOTE 14: NET PATIENT SERVICE REVENUE

The Communities at Indian Haven, Inc.

Indian Haven has agreements with third-party payors that provide for payments to Indian Haven at amounts different from its established rates. A significant portion of Indian Haven's revenues are derived from third-party payor programs. A summary of the principal payment arrangements with third-party payors follows:

- Medical Assistance – Nursing services provided to Medical Assistance program beneficiaries are paid at prospectively determined rates per day. These rates vary according to a resident classification system that is based on clinical, diagnostic, and other factors and the reimbursement methodology is subject to various limitations and adjustments.
- Medicare – Nursing and ancillary services rendered to Medicare Part A beneficiaries are paid at prospectively determined rates per day. These rates vary according to a resident classification system that is based on clinical, diagnostic, and other factors, and the reimbursement methodology is subject to various limitations and adjustments.

Indian Haven is reimbursed for therapy services provided to Medicare Part B beneficiaries at the lesser of a published fee schedule or actual charges.

As described above, the Medical Assistance and Medicare Part A rates are based on clinical, diagnostic, and other factors. Indian Haven is required to clinically assess its residents at predetermined periods throughout the year. The documented assessments are subject to review and adjustment by the Medical Assistance and Medicare Programs. Indian Haven also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to Indian Haven under these agreements includes prospectively determined rates per day or discounts from established charges.

NOTE 15: FUND BALANCES

Under GASB 54, fund balances are recorded as non-spendable, restricted, committed, assigned, and unassigned. The following fund balances are recorded on the fund level of the financial statements:

| Fund: | Fund Balance: | Balances |
|--------------------|---|------------------|
| Major Funds | | |
| General Fund | <u>Non-Spendable:</u> | |
| | These amounts are other assets | \$ 549,582 |
| | | <u>549,582</u> |
| | <u>Restricted Funds:</u> | |
| | These funds are restricted for Coroner Act 122 | 17,633 |
| | These funds are restricted for Coroner Data | 36,485 |
| | These funds are restricted for Coroner Training | 55,187 |
| | These funds are restricted for Sheriff PFA Act 66 | 1,885 |
| | These funds are restricted for Victim Services | 46,595 |
| | These funds are restricted for Act 13 Shale Impact | 681,751 |
| | These funds are restricted for Act 13 Highway Bridge | 1,144,573 |
| | These funds are restricted for Act 13 Greenways Rehab | 177,737 |
| | These funds are restricted for CYS CARES Funds | 241 |
| | These funds are restricted for CJAB | 11,271 |
| | These funds are restricted for Airport Construction | 24,800 |
| | | <u>2,198,158</u> |

COUNTY OF INDIANA, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2020

NOTE 15: FUND BALANCES (CONTINUED)

| | | |
|-------------------------------------|--|------------------|
| | <u>Assigned Funds:</u> | |
| | These funds are assigned for Workforce Development | 2,202,920 |
| | These funds are assigned for Suicide Task Force | 12,655 |
| | These funds are assigned for CYS Special Fund | 9,115 |
| | These funds are assigned for CARES Grant | 868,140 |
| | These funds are assigned for Employee Vending Fund | 2,050 |
| | These funds are assigned for Elections Machine | 53,410 |
| | These funds are assigned for Assess Appeals | 53,460 |
| | These funds are assigned for Future Debt Services | 4,200,000 |
| | These funds are assigned for Bar Association Dontations | 4,387 |
| | These funds are assigned for Capital Projects | <u>1,637,604</u> |
| | | 9,043,741 |
| Community Program for Restoration | <u>Restricted Funds:</u> | |
| | These funds are restricted for the Community Program Restoration. | 492,021 |
| Revolving Loan | <u>Restricted Funds:</u> | |
| | These funds are restricted for the Revolving Loan Program. | 1,352,402 |
| Non-Major Governmental Funds | | |
| Special Revenue Funds | <u>Non-Spendable:</u> | |
| | These amounts are prepaid expenses. | 4,520 |
| | <u>Restricted Funds:</u> | |
| | These funds are restricted within the departments of the General Government. | 385,742 |
| | These funds are restricted within the Judicial System. | 1,772,934 |
| | These funds are restricted within the Public Safety programs. | 490,909 |
| | These funds are restricted within the Human Service programs. | 89,431 |
| | These funds are restricted within the Public Works programs. | 1,443,024 |
| | These funds are restricted within the Culture and Recreation programs. | 61,121 |
| | These funds are restricted within the Conservation and Development programs. | <u>746,265</u> |
| | | \$ 4,989,426 |

NOTE 16: LITIGATION

The County is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the County's financial statements.

NOTE 17: RISK MANAGEMENT

The County participates in the Pennsylvania Counties' Workers' Compensation Trust (the "Trust") insurance pool for workers' compensation insurance. Insurance premiums are developed based on employee job descriptions, rate factors, and payroll costs for the year. The Trust has an audit performed each year and the County may be required to pay an additional premium as a result of the audit, or, the County may be entitled to a refund as a result of the audit. For the year ended December 31, 2020, the County paid insurance premiums of \$261,353 to the Trust.

NOTE 18: RESTATEMENT OF NET POSITION

Net Position was restated from previously reported amounts as follows as a result of a change in accounting standard:

| | |
|---|-----------------------|
| | <u>Custodial Fund</u> |
| Beginning net position, as previously reported | \$ - |
| Addition of Restricted Net Position as a result of the adoption of GASB. Statement No. 84 | <u>1,184,975</u> |
| Beginning net position, as restated | <u>\$ 1,184,975</u> |

**REQUIRED
SUPPLEMENTAL
INFORMATION**

COUNTY OF INDIANA, PENNSYLVANIA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|-----------------------|-----------------------|---------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| Revenues | | | | |
| Taxes, Real estate | \$ 21,250,207 | \$ 21,250,207 | \$ 21,436,489 | \$ 186,282 |
| Intergovernmental grants | 10,835,799 | 11,200,989 | 10,405,490 | (795,499) |
| Charges for services | 600,678 | 600,678 | 448,656 | (152,022) |
| Departmental charges | 7,160,636 | 7,160,636 | 7,053,920 | (106,716) |
| Interest income | 88,856 | 88,856 | 128,715 | 39,859 |
| Other revenue | 29,450 | 29,450 | 46,956 | 17,506 |
| Total Revenues | <u>39,965,626</u> | <u>40,330,816</u> | <u>39,520,226</u> | <u>(810,590)</u> |
| Expenditures | | | | |
| Current operating: | | | | |
| General government | 7,444,620 | 10,396,775 | 9,582,976 | 813,799 |
| Judicial | 7,100,622 | 7,202,544 | 6,367,931 | 834,613 |
| Public safety | 15,109,895 | 11,804,634 | 8,223,169 | 3,581,465 |
| Public works | 328,527 | 328,560 | 284,388 | 44,172 |
| Human services | 11,014,009 | 11,244,617 | 9,552,341 | 1,692,276 |
| Culture and recreation | 809,276 | 1,127,206 | 1,079,937 | 47,269 |
| Conservation and development | 267,201 | 2,701,920 | 2,625,794 | 76,126 |
| Miscellaneous | (73,621) | (77,636) | 322,677 | (400,313) |
| Debt service | 3,884,627 | 4,412,737 | 9,192,400 | (4,779,663) |
| Total Expenditures | <u>45,885,156</u> | <u>49,141,357</u> | <u>47,231,613</u> | <u>1,909,744</u> |
| Excess (deficiency) of revenues over expenditures | <u>(5,919,530)</u> | <u>(8,810,541)</u> | <u>(7,711,387)</u> | <u>1,099,154</u> |
| Other financing sources (uses) | | | | |
| Proceeds from long term debt | - | 2,383,946 | 10,759,590 | 8,375,644 |
| Proceeds from disposal of fixed assets | 4,598 | 4,598 | 6,769 | 2,171 |
| Amounts received from loans | - | 528,110 | 584,110 | 56,000 |
| Transfers in | 132,000 | 132,000 | 204,734 | 72,734 |
| Transfers out | (64,488) | (107,123) | (89,486) | 17,637 |
| Total other financing sources (uses) | <u>72,110</u> | <u>2,941,531</u> | <u>11,465,717</u> | <u>8,524,186</u> |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | | | | |
| | <u>\$ (5,847,420)</u> | <u>\$ (5,869,010)</u> | <u>\$ 3,754,330</u> | <u>\$ 9,623,340</u> |

COUNTY OF INDIANA, PENNSYLVANIA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|
| Total pension liability | | | | | | | |
| Service Cost | \$ 1,482,615 | \$ 1,487,234 | \$ 1,505,842 | \$ 1,519,127 | \$ 1,382,786 | \$ 1,384,446 | \$ 1,441,239 |
| Interest | 2,632,137 | 2,809,872 | 2,983,894 | 3,163,224 | 3,345,611 | 3,545,607 | 3,719,355 |
| Differences between expected and actual experience | (460,609) | (216,483) | (164,293) | (125,284) | (39,350) | 202,191 | (110,141) |
| Changes of assumptions | - | - | - | - | 993,400 | - | - |
| Benefits payments, including refunds of member contributions | (1,450,606) | (1,647,228) | (1,991,410) | (1,964,563) | (2,014,674) | (2,338,347) | (2,627,087) |
| Net change in total pension liability | <u>2,203,537</u> | <u>2,433,395</u> | <u>2,334,033</u> | <u>2,592,504</u> | <u>3,667,773</u> | <u>2,793,897</u> | <u>2,423,366</u> |
| Total pension liability - beginning | <u>35,235,769</u> | <u>37,439,306</u> | <u>39,872,701</u> | <u>42,206,734</u> | <u>44,799,238</u> | <u>48,467,011</u> | <u>51,260,908</u> |
| Total pension liability - ending (a) | <u>\$ 37,439,306</u> | <u>\$ 39,872,701</u> | <u>\$ 42,206,734</u> | <u>\$ 44,799,238</u> | <u>\$ 48,467,011</u> | <u>\$ 51,260,908</u> | <u>\$ 53,684,274</u> |
| Plan fiduciary net position | | | | | | | |
| Contributions - employer | \$ - | \$ 243,566 | \$ 500,000 | \$ 652,173 | \$ 525,933 | \$ 500,000 | \$ 500,000 |
| Contributions - employee | 884,856 | 857,245 | 886,553 | 903,146 | 918,025 | 957,060 | 991,006 |
| Net investment income | 2,371,131 | (853,587) | 3,336,471 | 5,714,759 | (2,391,937) | 6,831,698 | 5,706,610 |
| Benefit payments, including refunds of employee contributions | (1,450,606) | (1,647,228) | (1,991,410) | (1,964,563) | (2,014,674) | (2,338,347) | (2,627,087) |
| Administrative expense | (27,415) | (25,839) | (48,112) | (71,893) | (78,734) | (67,614) | (75,798) |
| Other | - | - | - | - | (17,399) | (8,172) | - |
| Net change in plan fiduciary position | <u>1,777,966</u> | <u>(1,425,843)</u> | <u>2,683,502</u> | <u>5,233,622</u> | <u>(3,058,786)</u> | <u>5,874,625</u> | <u>4,494,731</u> |
| Plan fiduciary net position - beginning | <u>41,544,045</u> | <u>43,322,014</u> | <u>41,896,171</u> | <u>44,579,673</u> | <u>49,813,295</u> | <u>46,754,509</u> | <u>52,629,134</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 43,322,011</u> | <u>\$ 41,896,171</u> | <u>\$ 44,579,673</u> | <u>\$ 49,813,295</u> | <u>\$ 46,754,509</u> | <u>\$ 52,629,134</u> | <u>\$ 57,123,865</u> |
| County's net pension liability (asset) - ending (a) - (b) | <u>\$ (5,882,705)</u> | <u>\$ (2,023,470)</u> | <u>\$ (2,372,939)</u> | <u>\$ (5,014,057)</u> | <u>\$ 1,712,502</u> | <u>\$ (1,368,226)</u> | <u>\$ (3,439,591)</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 115.71% | 105.07% | 105.62% | 111.19% | 96.47% | 102.67% | 106.41% |
| Covered - employee payroll | \$ 15,621,894 | \$ 16,530,669 | \$ 16,789,363 | \$ 17,153,570 | \$ 17,504,938 | \$ 16,751,771 | \$ 17,904,426 |
| County net pension liability as a percentage of covered - employee payroll | -37.66% | -12.24% | -14.13% | -29.23% | 9.78% | -8.17% | -19.21% |

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

COUNTY OF INDIANA, PENNSYLVANIA
 REQUIRED SUPPLEMENTAL INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS - LAST 10 YEARS

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|--|-------------------|-------------|-------------------|-------------|-------------|-------------------|-------------------|
| Actuarially determined contribution | \$ 117,162 | \$ 243,566 | \$ 682,497 | \$ 652,173 | \$ 525,933 | \$ 734,293 | \$ 875,063 |
| Contributions in relation to the actuarially determined contribution | - | 243,566 | 500,000 | 652,173 | 525,933 | 500,000 | 500,000 |
| Contribution deficiency (excess) | <u>\$ 117,162</u> | <u>\$ -</u> | <u>\$ 182,497</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 234,293</u> | <u>\$ 375,063</u> |
| Covered - employee payroll | 15,621,894 | 16,530,669 | 16,789,363 | 17,153,570 | 17,504,938 | 16,751,771 | 17,904,426 |
| Contributions as a percentage of covered - employee payroll | 0.00% | 1.47% | 2.98% | 3.80% | 3.00% | 2.98% | 2.79% |

Notes to Schedule

| | | | | | | | |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Valuation date: | January 1, 2014 | January 1, 2015 | January 1, 2016 | January 1, 2017 | January 1, 2018 | January 1, 2019 | January 1, 2020 |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level dollar |
| Remaining amortization period | 15 years |
| Asset valuation method | Fair-Market Value |
| Inflation | 3.00% |
| Salary increases | 3.50 average, including inflation |
| Investment rate of return | 7.25% net of pension plan investment expense, including inflation |
| Retirement age | Age 60 or 55 with 20 years' service |
| Mortality | 2013 RP Annuitant and Non-Annuitant Mortality Tables for males and females with no projected improvement |

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

COUNTY OF INDIANA, PENNSYLVANIA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF INVESTMENT RETURNS

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expense | 5.99% | 1.65% | 8.26% | 13.01% | -4.69% | 16.80% | 10.57% |

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pen should present information for those years for which information is available.

**OTHER
SUPPLEMENTAL
INFORMATION**

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2020

| | <u>Capital Improvements Fund</u> | <u>Nonmajor Special Revenue Funds</u> | <u>Total Nonmajor Governmental Funds</u> |
|------------------------------------|--|---|--|
| <hr/> <u>Assets</u> <hr/> | | | |
| Cash and cash equivalents | \$ 38,358 | \$ 4,805,625 | \$ 4,843,983 |
| Investments | - | 111,364 | 111,364 |
| Receivables: | | | |
| Other governmental grants | - | 1,246,853 | 1,246,853 |
| Other | - | 56,089 | 56,089 |
| Loans | - | 1,282,123 | 1,282,123 |
| Due from other funds | - | 152,800 | 152,800 |
| Prepaid expenses | - | 19,355 | 19,355 |
| | <hr/> | <hr/> | <hr/> |
| Total assets | <u>\$ 38,358</u> | <u>\$ 7,674,209</u> | <u>\$ 7,712,567</u> |
| <hr/> <u>Liabilities</u> <hr/> | | | |
| Accounts payable | - | 604,887 | 604,887 |
| Accrued Liabilities | - | 9,517 | 9,517 |
| Due to other governments | - | 173 | 173 |
| Due to other funds | - | 821,921 | 821,921 |
| Unearned loans receivable | - | 1,282,123 | 1,282,123 |
| | <hr/> | <hr/> | <hr/> |
| Total liabilities | <u>-</u> | <u>2,718,621</u> | <u>2,718,621</u> |
| Unearned loans receivable | | | |
| <hr/> <u>Fund Balance</u> <hr/> | | | |
| Fund balance: | | | |
| Nonspendable | - | 4,520 | 4,520 |
| Restricted | <u>38,358</u> | <u>4,951,068</u> | <u>4,989,426</u> |
| | <hr/> | <hr/> | <hr/> |
| Total fund balance | <u>38,358</u> | <u>4,955,588</u> | <u>4,993,946</u> |
| | <hr/> | <hr/> | <hr/> |
| Total liabilities and fund balance | <u>\$ 38,358</u> | <u>\$ 7,674,209</u> | <u>\$ 7,712,567</u> |

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

| | Capital Improvements Fund | Nonmajor Special Revenue Funds | Total Nonmajor Governmental Funds |
|--|---------------------------------|--------------------------------------|---|
| Revenues | | | |
| Taxes, Hotel | \$ - | \$ 287,935 | \$ 287,935 |
| Intergovernmental revenue | - | 5,995,067 | 5,995,067 |
| Charges for services | - | 870,617 | 870,617 |
| Interest income | 111 | 21,395 | 21,506 |
| Other revenue | - | 2,474 | 2,474 |
| Total Revenues | <u>111</u> | <u>7,177,488</u> | <u>7,177,599</u> |
| Expenditures | | | |
| Current operating: | | | |
| General government | 21,222 | 99,297 | 120,519 |
| Judicial | - | 1,289,854 | 1,289,854 |
| Public safety | - | 2,826,891 | 2,826,891 |
| Public works | - | 618,422 | 618,422 |
| Human services | - | 907,461 | 907,461 |
| Culture and recreation | - | 327,009 | 327,009 |
| Conservation and development | - | 934,641 | 934,641 |
| Total Expenditures | <u>21,222</u> | <u>7,003,575</u> | <u>7,024,797</u> |
| Excess (deficiency) of revenues over expenditures | <u>(21,111)</u> | <u>173,913</u> | <u>152,802</u> |
| Other financing sources (uses) | | | |
| Amounts received from loans | - | 44,332 | 44,332 |
| Transfers in | 19,980 | 56,000 | 75,980 |
| Transfers out | - | (11,081) | (11,081) |
| Total other financing sources (uses) | <u>19,980</u> | <u>89,251</u> | <u>109,231</u> |
| Net change in fund balance | (1,131) | 263,164 | 262,033 |
| Fund balance, beginning of year | <u>39,489</u> | <u>4,692,424</u> | <u>4,731,913</u> |
| Fund balance, end of year | <u>\$ 38,358</u> | <u>\$ 4,955,588</u> | <u>\$ 4,993,946</u> |

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2020

| Assets | Liquid Fuels | Human Services Development | MATP | Airport Construction | Children's Advisory Commission | Enhanced 911 | Hazardous Materials | Indiana County Code Division |
|---|----------------------------|----------------------------|--------------------|--------------------------|--------------------------------|----------------------------|-------------------------|------------------------------|
| Cash and cash equivalents | \$ 1,377,863 | \$ 18,693 | \$ - | \$ 57,285 | \$ 2,018 | \$ 494,719 | \$ 5,333 | \$ 101,270 |
| Investments | 8,236 | - | - | - | - | - | - | - |
| Receivables: | | | | | | | | |
| Other governmental grants | 22,885 | 7,382 | - | 217,495 | - | 624,395 | 24,578 | - |
| Other | - | 400 | - | - | - | - | 1,455 | - |
| Due from other funds | - | - | - | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | - | - | 810 | - |
| Total assets | <u>\$ 1,408,984</u> | <u>\$ 26,475</u> | <u>\$ -</u> | <u>\$ 274,780</u> | <u>\$ 2,018</u> | <u>\$ 1,119,114</u> | <u>\$ 32,176</u> | <u>\$ 101,270</u> |
| Liabilities | | | | | | | | |
| Accounts payable | \$ 11,450 | \$ 4,461 | \$ - | \$ 229,290 | \$ 371 | \$ - | \$ 681 | \$ 52,620 |
| Accrued liabilities | - | - | - | - | - | - | - | - |
| Due to other governments | - | - | - | - | - | - | - | 173 |
| Due to other funds | - | - | - | - | - | 726,248 | - | - |
| Unearned loans receivable | - | - | - | - | - | - | - | - |
| Total liabilities | <u>11,450</u> | <u>4,461</u> | <u>-</u> | <u>229,290</u> | <u>371</u> | <u>726,248</u> | <u>681</u> | <u>52,793</u> |
| Fund Balance | | | | | | | | |
| Fund balance: | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | 810 | - |
| Restricted | 1,397,534 | 22,014 | - | 45,490 | 1,647 | 392,866 | 30,685 | 48,477 |
| Total fund balance | <u>1,397,534</u> | <u>22,014</u> | <u>-</u> | <u>45,490</u> | <u>1,647</u> | <u>392,866</u> | <u>31,495</u> | <u>48,477</u> |
| Total liabilities and fund balance | <u>\$ 1,408,984</u> | <u>\$ 26,475</u> | <u>\$ -</u> | <u>\$ 274,780</u> | <u>\$ 2,018</u> | <u>\$ 1,119,114</u> | <u>\$ 32,176</u> | <u>\$ 101,270</u> |

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2020

| | Keystone Communities | Jail Commissary | Register of Wills Ck of Orphan Ct | County Record's Improvement | Register and Recorder Records Improvement | Assessment Uniform Parcel ID | Recorder's Uniform Parcel ID | Domestic Relations |
|---|-------------------------|-------------------------|--------------------------------------|-----------------------------------|---|------------------------------------|------------------------------------|----------------------------|
| <hr/> Assets <hr/> | | | | | | | | |
| Cash and cash equivalents | \$ 1 | \$ 60,624 | \$ 16,618 | \$ 126,892 | \$ 57,844 | \$ 52,360 | \$ 48,738 | \$ 1,392,340 |
| Investments | - | - | - | - | - | - | - | - |
| Receivables: | | | | | | | | |
| Other governmental grants | - | - | - | - | - | - | - | 232,735 |
| Other | - | 8,541 | - | 1,612 | - | 761 | 761 | 232 |
| Loans | - | - | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | - | - | - | 127,807 |
| Prepaid expenses | - | - | - | - | - | - | - | 18,545 |
| Total assets | <u>\$ 1</u> | <u>\$ 69,165</u> | <u>\$ 16,618</u> | <u>\$ 128,504</u> | <u>\$ 57,844</u> | <u>\$ 53,121</u> | <u>\$ 49,499</u> | <u>\$ 1,771,659</u> |
| <hr/> Liabilities <hr/> | | | | | | | | |
| Accounts payable | \$ - | \$ 1,807 | \$ - | \$ 3,456 | \$ 180 | \$ - | \$ - | \$ 3,160 |
| Accrued liabilities | - | - | - | - | - | - | - | 6,168 |
| Due to other governments | - | - | - | - | - | - | - | - |
| Due to other funds | - | - | - | - | - | - | - | 70,680 |
| Unearned loans receivable | - | - | - | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>1,807</u> | <u>-</u> | <u>3,456</u> | <u>180</u> | <u>-</u> | <u>-</u> | <u>80,008</u> |
| <hr/> Fund Balance <hr/> | | | | | | | | |
| Fund balance: | | | | | | | | |
| Nonspendable | - | - | - | 3,710 | - | - | - | - |
| Restricted | <u>1</u> | <u>67,358</u> | <u>16,618</u> | <u>121,338</u> | <u>57,664</u> | <u>53,121</u> | <u>49,499</u> | <u>1,691,651</u> |
| Total fund balance | <u>1</u> | <u>67,358</u> | <u>16,618</u> | <u>125,048</u> | <u>57,664</u> | <u>53,121</u> | <u>49,499</u> | <u>1,691,651</u> |
| Total liabilities and fund balance | <u>\$ 1</u> | <u>\$ 69,165</u> | <u>\$ 16,618</u> | <u>\$ 128,504</u> | <u>\$ 57,844</u> | <u>\$ 53,121</u> | <u>\$ 49,499</u> | <u>\$ 1,771,659</u> |

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2020

| | Drug Task Force | DA Special Investigations | Health and Human Services Sub-Committee | Sheriff Public Safety Training | Prothonotary Automation | Adoption Counseling | Hotel Tax | Parks Gas Lease |
|---|-------------------------|---------------------------------|---|--------------------------------------|----------------------------|-------------------------|-------------------------|-------------------------|
| <hr/> Assets <hr/> | | | | | | | | |
| Cash and cash equivalents | \$ 11,459 | \$ 37,470 | \$ 12,772 | \$ 5,400 | \$ 10,332 | \$ 17,210 | \$ 19,487 | \$ 15,018 |
| Investments | - | - | - | - | - | - | - | - |
| Receivables: | | | | | | | | |
| Other governmental grants | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | 682 | 75 | 16,017 | 1,978 |
| Loans | - | - | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | - | - | - | - |
| Total assets | <u>\$ 11,459</u> | <u>\$ 37,470</u> | <u>\$ 12,772</u> | <u>\$ 5,400</u> | <u>\$ 11,014</u> | <u>\$ 17,285</u> | <u>\$ 35,504</u> | <u>\$ 16,996</u> |
| <hr/> Liabilities <hr/> | | | | | | | | |
| Accounts payable | \$ 678 | \$ - | \$ 660 | \$ - | \$ - | \$ - | \$ 35,107 | \$ - |
| Accrued liabilities | - | - | - | - | - | - | - | - |
| Due to other governments | - | - | - | - | - | - | - | - |
| Due to other funds | - | - | - | - | - | - | - | - |
| Unearned loans receivable | - | - | - | - | - | - | - | - |
| Total liabilities | <u>678</u> | <u>-</u> | <u>660</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>35,107</u> | <u>-</u> |
| <hr/> Fund Balance <hr/> | | | | | | | | |
| Fund balance: | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - |
| Restricted | <u>10,781</u> | <u>37,470</u> | <u>12,112</u> | <u>5,400</u> | <u>11,014</u> | <u>17,285</u> | <u>397</u> | <u>16,996</u> |
| Total fund balance | <u>10,781</u> | <u>37,470</u> | <u>12,112</u> | <u>5,400</u> | <u>11,014</u> | <u>17,285</u> | <u>397</u> | <u>16,996</u> |
| Total liabilities and fund balance | <u>\$ 11,459</u> | <u>\$ 37,470</u> | <u>\$ 12,772</u> | <u>\$ 5,400</u> | <u>\$ 11,014</u> | <u>\$ 17,285</u> | <u>\$ 35,504</u> | <u>\$ 16,996</u> |

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2020

| | Parks Enterprise | Farmlands Preservation | Community Development Block Grant | HOME Investment | Escrow Fund | Affordable Housing and Act 137 | Emergency Repair | Emergency Shelter Grant |
|---|-------------------------|---------------------------|---|-------------------------|------------------------|--------------------------------------|-------------------------|----------------------------|
| <hr/> Assets <hr/> | | | | | | | | |
| Cash and cash equivalents | \$ 44,090 | \$ 25,228 | \$ 1,328 | \$ 4,678 | \$ - | \$ 128,211 | \$ 1,804 | \$ 92 |
| Investments | - | - | - | - | - | 103,128 | - | - |
| Receivables: | | | | | | | | |
| Other governmental grants | 238 | - | 15,802 | 43,599 | - | - | - | 39,151 |
| Other | - | 42 | - | - | 1,050 | 22,483 | - | - |
| Loans | - | - | - | - | - | 75,876 | 58,058 | - |
| Due from other funds | - | - | 3,835 | - | - | 21,158 | - | - |
| Prepaid expenses | - | - | - | - | - | - | - | - |
| Total assets | <u>\$ 44,328</u> | <u>\$ 25,270</u> | <u>\$ 20,965</u> | <u>\$ 48,277</u> | <u>\$ 1,050</u> | <u>\$ 350,856</u> | <u>\$ 59,862</u> | <u>\$ 39,243</u> |
| <hr/> Liabilities <hr/> | | | | | | | | |
| Accounts payable | \$ 600 | \$ 6,250 | \$ 14,495 | \$ 41,099 | \$ - | \$ 46,528 | \$ - | \$ 18,013 |
| Accrued liabilities | - | - | 351 | 2,998 | - | - | - | - |
| Due to other governments | - | - | - | - | - | - | - | - |
| Due to other funds | - | - | - | - | - | - | - | 21,158 |
| Unearned loans receivable | - | - | - | - | - | 75,876 | 58,058 | - |
| Total liabilities | <u>600</u> | <u>6,250</u> | <u>14,846</u> | <u>44,097</u> | <u>-</u> | <u>122,404</u> | <u>58,058</u> | <u>21,158</u> |
| <hr/> Fund Balance <hr/> | | | | | | | | |
| Fund balance: | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - |
| Restricted | <u>43,728</u> | <u>19,020</u> | <u>6,119</u> | <u>4,180</u> | <u>1,050</u> | <u>228,452</u> | <u>1,804</u> | <u>72</u> |
| Total fund balance | <u>43,728</u> | <u>19,020</u> | <u>6,119</u> | <u>4,180</u> | <u>1,050</u> | <u>228,452</u> | <u>1,804</u> | <u>72</u> |
| Total liabilities and fund balance | <u>\$ 44,328</u> | <u>\$ 25,270</u> | <u>\$ 20,965</u> | <u>\$ 48,277</u> | <u>\$ 1,050</u> | <u>\$ 350,856</u> | <u>\$ 59,862</u> | <u>\$ 21,230</u> |

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2020

| | Community Development Fund | Community Revitalization Program | General Economic Development | Homeless Assistance Program | Enterprise Zone | Planning Fund | Total |
|------------------------------------|----------------------------------|--|------------------------------------|-----------------------------------|---------------------|------------------|---------------------|
| <u>Assets</u> | | | | | | | |
| Cash and cash equivalents | \$ 177,759 | \$ 103 | \$ 26,301 | \$ 168,881 | \$ 263,272 | \$ 22,132 | \$ 4,805,625 |
| Investments | - | - | - | - | - | - | 111,364 |
| Receivables: | | | | | | | |
| Other governmental grants | - | - | - | 18,593 | - | - | 1,246,853 |
| Other | - | - | - | - | - | - | 56,089 |
| Loans | - | 150,000 | - | - | 998,189 | - | 1,282,123 |
| Due from other funds | - | - | - | - | - | - | 152,800 |
| Prepaid expenses | - | - | - | - | - | - | 19,355 |
| | | | | | | | |
| Total assets | <u>\$ 177,759</u> | <u>\$ 150,103</u> | <u>\$ 26,301</u> | <u>\$ 187,474</u> | <u>\$ 1,261,461</u> | <u>\$ 22,132</u> | <u>\$ 7,674,209</u> |
| <u>Liabilities</u> | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ 93 | \$ 133,888 | \$ - | \$ - | \$ 604,887 |
| Accrued liabilities | - | - | - | - | - | - | 9,517 |
| Due to other governments | - | - | - | - | - | - | 173 |
| Due to other funds | - | - | - | - | - | 3,835 | 821,921 |
| Unearned loans receivable | - | 150,000 | - | - | 998,189 | - | 1,282,123 |
| | | | | | | | |
| Total liabilities | <u>-</u> | <u>150,000</u> | <u>93</u> | <u>133,888</u> | <u>998,189</u> | <u>3,835</u> | <u>2,718,621</u> |
| <u>Fund Balance</u> | | | | | | | |
| Fund balance: | | | | | | | |
| Nonspendable | - | - | - | - | - | - | 4,520 |
| Restricted | 177,759 | 103 | 26,208 | 53,586 | 263,272 | 18,297 | 4,951,068 |
| | | | | | | | |
| Total fund balance | <u>177,759</u> | <u>103</u> | <u>26,208</u> | <u>53,586</u> | <u>263,272</u> | <u>18,297</u> | <u>4,955,588</u> |
| | | | | | | | |
| Total liabilities and fund balance | <u>\$ 177,759</u> | <u>\$ 150,103</u> | <u>\$ 26,301</u> | <u>\$ 187,474</u> | <u>\$ 1,261,461</u> | <u>\$ 22,132</u> | <u>\$ 7,674,209</u> |

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT)
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

| | Liquid Fuels | Human Services Development | MATP | Airport Construction | Children's Advisory Commission | Enhanced 911 | Hazardous Materials | Indiana County Code Division |
|---|---------------------|----------------------------|------------------|----------------------|--------------------------------|-------------------|---------------------|------------------------------|
| Revenues | | | | | | | | |
| Taxes, Hotel | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental revenue | 403,074 | 90,584 | - | 393,842 | - | 2,889,135 | 24,578 | - |
| Charges for services | - | 400 | - | - | 3,861 | - | 19,155 | 43,047 |
| Interest income | 3,314 | 106 | 379 | 122 | 11 | 1,324 | 61 | 581 |
| Other revenue | - | - | - | - | - | - | 100 | - |
| Total Revenues | 406,388 | 91,090 | 379 | 393,964 | 3,872 | 2,890,459 | 43,894 | 43,628 |
| Expenditures | | | | | | | | |
| Current operating: | | | | | | | | |
| General government | - | - | - | - | - | - | - | 77,731 |
| Judicial | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | 2,689,540 | 104,827 | - |
| Public works | 269,762 | - | - | 348,660 | - | - | - | - |
| Human services | - | 103,237 | 309,164 | - | 4,864 | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - | - |
| Conservation and development | - | - | - | - | - | - | - | - |
| Total Expenditures | 269,762 | 103,237 | 309,164 | 348,660 | 4,864 | 2,689,540 | 104,827 | 77,731 |
| Excess (deficiency) of revenues over expenditures | 136,626 | (12,147) | (308,785) | 45,304 | (992) | 200,919 | (60,933) | (34,103) |
| Other financing sources (uses) | | | | | | | | |
| Amounts received from loans | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | 45,000 | - |
| Transfers out | - | - | (81) | - | - | - | - | - |
| Total other financing sources (uses) | - | - | (81) | - | - | - | 45,000 | - |
| Net change in fund balance | 136,626 | (12,147) | (308,866) | 45,304 | (992) | 200,919 | (15,933) | (34,103) |
| Fund balance, beginning of year | 1,260,908 | 34,161 | 308,866 | 186 | 2,639 | 191,947 | 47,428 | 82,580 |
| Fund balance, end of year | <u>\$ 1,397,534</u> | <u>\$ 22,014</u> | <u>\$ -</u> | <u>\$ 45,490</u> | <u>\$ 1,647</u> | <u>\$ 392,866</u> | <u>\$ 31,495</u> | <u>\$ 48,477</u> |

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

| | Keystone Communities Program | Jail Commissary | Register of Wills Ck of Orphan Ct | County Record's Improvement | Register and Recorder Records Improvement | Assessment Uniform Parcel ID | Recorder's Uniform Parcel ID | Domestic Relations |
|--|------------------------------------|--------------------|--------------------------------------|-----------------------------------|---|------------------------------------|------------------------------------|-----------------------|
| Revenues | | | | | | | | |
| Taxes, Hotel | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental revenue | 62,808 | - | - | - | - | - | - | 765,899 |
| Charges for services | - | 74,241 | 4,040 | 18,851 | 24,625 | 8,237 | 8,237 | 534,077 |
| Interest income | - | 118 | - | 487 | 182 | 73 | 187 | 7,891 |
| Other revenue | - | - | - | - | - | - | - | - |
| Total Revenues | 62,808 | 74,359 | 4,040 | 19,338 | 24,807 | 8,310 | 8,424 | 1,307,867 |
| Expenditures | | | | | | | | |
| Current operating: | | | | | | | | |
| General government | - | - | - | 17,856 | 2,160 | 1,550 | - | - |
| Judicial | - | - | - | - | - | - | - | 1,186,369 |
| Public safety | - | 32,524 | - | - | - | - | - | - |
| Public works | - | - | - | - | - | - | - | - |
| Human services | - | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - | - |
| Conservation and development | 62,808 | - | - | - | - | - | - | - |
| Total Expenditures | 62,808 | 32,524 | - | 17,856 | 2,160 | 1,550 | - | 1,186,369 |
| Excess (deficiency) of revenues over expenditures | - | 41,835 | 4,040 | 1,482 | 22,647 | 6,760 | 8,424 | 121,498 |
| Other financing sources (uses) | | | | | | | | |
| Amounts received from loans | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Net change in fund balance | - | 41,835 | 4,040 | 1,482 | 22,647 | 6,760 | 8,424 | 121,498 |
| Fund balance, beginning of year | 1 | 25,523 | 12,578 | 123,566 | 35,017 | 46,361 | 41,075 | 1,570,153 |
| Fund balance, end of year | <u>\$ 1</u> | <u>\$ 67,358</u> | <u>\$ 16,618</u> | <u>\$ 125,048</u> | <u>\$ 57,664</u> | <u>\$ 53,121</u> | <u>\$ 49,499</u> | <u>\$ 1,691,651</u> |

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

| | Drug Task Force | DA Special Investigations | Health and Human Services Sub-Committee | Sheriff Public Safety Training | Prothonotary Automation | Adoption Counseling | Hotel Tax | Parks Gas Lease |
|--|--------------------|---------------------------------|---|--------------------------------------|----------------------------|------------------------|----------------|--------------------|
| Revenues | | | | | | | | |
| Taxes, Hotel | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 287,935 | \$ - |
| Intergovernmental revenue | 69,500 | - | - | - | - | - | - | - |
| Charges for services | - | 9,124 | 2,600 | 6,075 | 12,126 | 525 | - | 7,098 |
| Interest income | - | 4 | 55 | 59 | 17 | 66 | 75 | 71 |
| Other revenue | - | - | - | - | - | - | - | - |
| Total Revenues | 69,500 | 9,128 | 2,655 | 6,134 | 12,143 | 591 | 288,010 | 7,169 |
| Expenditures | | | | | | | | |
| Current operating: | | | | | | | | |
| General government | - | - | - | - | - | - | - | - |
| Judicial | 53,772 | 15,571 | - | 14,731 | 19,411 | - | - | - |
| Public safety | - | - | - | - | - | - | - | - |
| Public works | - | - | - | - | - | - | - | - |
| Human services | - | - | 1,960 | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | 295,366 | 7,540 |
| Conservation and development | - | - | - | - | - | - | - | - |
| Total Expenditures | 53,772 | 15,571 | 1,960 | 14,731 | 19,411 | - | 295,366 | 7,540 |
| Excess (deficiency) of revenues over expenditures | 15,728 | (6,443) | 695 | (8,597) | (7,268) | 591 | (7,356) | (371) |
| Other financing sources (uses) | | | | | | | | |
| Amounts received from loans | - | - | - | - | - | - | - | - |
| Transfers in | 3,000 | 8,000 | - | - | - | - | - | - |
| Transfers out | (8,000) | (3,000) | - | - | - | - | - | - |
| Total other financing sources (uses) | (5,000) | 5,000 | - | - | - | - | - | - |
| Net change in fund balance | 10,728 | (1,443) | 695 | (8,597) | (7,268) | 591 | (7,356) | (371) |
| Fund balance, beginning of year | 53 | 38,913 | 11,417 | 13,997 | 18,282 | 16,694 | 7,753 | 17,367 |
| Fund balance, end of year | <u>\$ 10,781</u> | <u>\$ 37,470</u> | <u>\$ 12,112</u> | <u>\$ 5,400</u> | <u>\$ 11,014</u> | <u>\$ 17,285</u> | <u>\$ 397</u> | <u>\$ 16,996</u> |

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

| | Parks Enterprise | Farmlands Preservation | Community Development Block Grant | HOME Investment | Escrow Fund | Affordable Housing and Act 137 | Emergency Repair | Emergency Shelter Grant |
|--|---------------------|---------------------------|---|--------------------|-----------------|--------------------------------------|---------------------|----------------------------|
| Revenues | | | | | | | | |
| Taxes, Hotel | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental revenue | 951 | - | 417,114 | 182,607 | - | - | - | 160,021 |
| Charges for services | 28,300 | 2,500 | - | - | - | 43,068 | 6 | - |
| Interest income | 177 | 2,509 | - | - | - | 1,770 | 47 | - |
| Other revenue | 2,374 | - | - | - | - | - | - | - |
| Total Revenues | <u>31,802</u> | <u>5,009</u> | <u>417,114</u> | <u>182,607</u> | <u>-</u> | <u>44,838</u> | <u>53</u> | <u>160,021</u> |
| Expenditures | | | | | | | | |
| Current operating: | | | | | | | | |
| General government | - | - | - | - | - | - | - | - |
| Judicial | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | - |
| Public works | - | - | - | - | - | - | - | - |
| Human services | - | - | - | - | - | - | - | 160,021 |
| Culture and recreation | 24,103 | - | - | - | - | - | - | - |
| Conservation and development | - | - | 553,685 | 182,607 | - | 17,721 | 13,834 | - |
| Total Expenditures | <u>24,103</u> | <u>-</u> | <u>553,685</u> | <u>182,607</u> | <u>-</u> | <u>17,721</u> | <u>13,834</u> | <u>160,021</u> |
| Excess (deficiency) of revenues over expenditures | <u>7,699</u> | <u>5,009</u> | <u>(136,571)</u> | <u>-</u> | <u>-</u> | <u>27,117</u> | <u>(13,781)</u> | <u>-</u> |
| Other financing sources (uses) | | | | | | | | |
| Amounts received from loans | - | - | - | - | - | 6,527 | 3,185 | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,527</u> | <u>3,185</u> | <u>-</u> |
| Net change in fund balance | 7,699 | 5,009 | (136,571) | - | - | 33,644 | (10,596) | - |
| Fund balance, beginning of year | <u>36,029</u> | <u>14,011</u> | <u>142,690</u> | <u>4,180</u> | <u>1,050</u> | <u>194,808</u> | <u>12,400</u> | <u>72</u> |
| Fund balance, end of year | <u>\$ 43,728</u> | <u>\$ 19,020</u> | <u>\$ 6,119</u> | <u>\$ 4,180</u> | <u>\$ 1,050</u> | <u>\$ 228,452</u> | <u>\$ 1,804</u> | <u>\$ 72</u> |

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

| | Community Development Fund | Community Revitalization Program | General Economic Development | Homeless Assistance Program | Enterprise Zone | Planning Fund | Total |
|--|----------------------------------|--|------------------------------------|-----------------------------------|--------------------|------------------|---------------------|
| Revenues | | | | | | | |
| Taxes, Hotel | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 287,935 |
| Intergovernmental revenue | 150,000 | - | - | 383,404 | - | 1,550 | 5,995,067 |
| Charges for services | - | - | - | - | 20,424 | - | 870,617 |
| Interest income | 351 | 1 | 108 | 251 | 912 | 86 | 21,395 |
| Other revenue | - | - | - | - | - | - | 2,474 |
| Total Revenues | <u>150,351</u> | <u>1</u> | <u>108</u> | <u>383,655</u> | <u>21,336</u> | <u>1,636</u> | <u>7,177,488</u> |
| Expenditures | | | | | | | |
| Current operating: | | | | | | | |
| General government | - | - | - | - | - | - | 99,297 |
| Judicial | - | - | - | - | - | - | 1,289,854 |
| Public safety | - | - | - | - | - | - | 2,826,891 |
| Public works | - | - | - | - | - | - | 618,422 |
| Human services | - | - | - | 328,215 | - | - | 907,461 |
| Culture and recreation | - | - | - | - | - | - | 327,009 |
| Conservation and development | 81,459 | - | 2,762 | - | 18,549 | 1,216 | 934,641 |
| Total Expenditures | <u>81,459</u> | <u>-</u> | <u>2,762</u> | <u>328,215</u> | <u>18,549</u> | <u>1,216</u> | <u>7,003,575</u> |
| Excess (deficiency) of revenues over expenditures | <u>68,892</u> | <u>1</u> | <u>(2,654)</u> | <u>55,440</u> | <u>2,787</u> | <u>420</u> | <u>173,913</u> |
| Other financing sources (uses) | | | | | | | |
| Amounts received from loans | - | - | - | - | 34,620 | - | 44,332 |
| Transfers in | - | - | - | - | - | - | 56,000 |
| Transfers out | - | - | - | - | - | - | (11,081) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>34,620</u> | <u>-</u> | <u>89,251</u> |
| Net change in fund balance | 68,892 | 1 | (2,654) | 55,440 | 37,407 | 420 | 263,164 |
| Fund balance, beginning of year | <u>108,867</u> | <u>102</u> | <u>28,862</u> | <u>(1,854)</u> | <u>225,865</u> | <u>17,877</u> | <u>4,692,424</u> |
| Fund balance, end of year | <u>\$ 177,759</u> | <u>\$ 103</u> | <u>\$ 26,208</u> | <u>\$ 53,586</u> | <u>\$ 263,272</u> | <u>\$ 18,297</u> | <u>\$ 4,955,588</u> |

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING STATEMENT OF NET POSITION
 DISCRETELY PRESENTED COMPONENT UNITS
 DECEMBER 31, 2020

| Assets | Indiana County Municipal Services Authority | Highridge Water Authority | Total Component Units |
|--|---|------------------------------|-----------------------------|
| Current Assets: | | | |
| Cash and cash equivalents | \$ 303,465 | \$ 1,335,296 | \$ 1,638,761 |
| Restricted cash and cash equivalents | 2,377,313 | - | 2,377,313 |
| Accounts Receivable | 850,190 | 291,413 | 1,141,603 |
| Note Receivable - current | 99,476 | - | 99,476 |
| Prepaid expenses and other current assets | - | 26,825 | 26,825 |
| Inventories | - | 118,706 | 118,706 |
| | <u>3,630,444</u> | <u>1,772,240</u> | <u>5,402,684</u> |
| Noncurrent assets: | | | |
| Capital Assets (net of accumulated depreciation) | 88,440,082 | 28,029,320 | 116,469,402 |
| Note Receivable less current portion | 1,418,300 | - | 1,418,300 |
| Intangible assets | - | 945,765 | 945,765 |
| Other assets | 275,530 | - | 275,530 |
| Trustee held funds | - | - | - |
| | <u>90,133,912</u> | <u>28,975,085</u> | <u>119,108,997</u> |
| Total noncurrent assets | <u>90,133,912</u> | <u>28,975,085</u> | <u>119,108,997</u> |
| Total assets | <u>\$ 93,764,356</u> | <u>\$ 30,747,325</u> | <u>\$ 124,511,681</u> |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 131,145 | \$ 37,720 | \$ 168,865 |
| Accrued Expenses | 458,971 | 40,552 | 499,523 |
| Accrued Interest Payable | 126,635 | 31,708 | 158,343 |
| Current portion of long-term debt | 3,172,720 | 857,083 | 4,029,803 |
| Current portion of capital lease | 20,897 | - | 20,897 |
| Customer Deposits | 103,083 | 57,626 | 160,709 |
| Line of credit | - | - | - |
| | <u>4,013,451</u> | <u>1,024,689</u> | <u>5,038,140</u> |
| Total current liabilities | <u>4,013,451</u> | <u>1,024,689</u> | <u>5,038,140</u> |
| Capital lease | 14,922 | - | 14,922 |
| Compensated absences | - | 203,143 | 203,143 |
| Long-term debt | 44,851,741 | 8,021,262 | 52,873,003 |
| | <u>44,866,663</u> | <u>8,224,405</u> | <u>53,091,068</u> |
| Total noncurrent liabilities | <u>44,866,663</u> | <u>8,224,405</u> | <u>53,091,068</u> |
| Total Liabilities | <u>48,880,114</u> | <u>9,249,094</u> | <u>58,129,208</u> |
| Net Position | | | |
| Net investment in capital assets | 40,528,697 | 19,150,975 | 59,679,672 |
| Restricted per bond indenture | 2,301,030 | - | 2,301,030 |
| Restricted for construction | 76,283 | - | 76,283 |
| Unrestricted | 1,978,232 | 2,347,256 | 4,325,488 |
| | <u>44,884,242</u> | <u>21,498,231</u> | <u>66,382,473</u> |
| Total net position | <u>44,884,242</u> | <u>21,498,231</u> | <u>66,382,473</u> |
| Total liabilities and net position | <u>\$ 93,764,356</u> | <u>\$ 30,747,325</u> | <u>\$ 124,511,681</u> |

COUNTY OF INDIANA, PENNSYLVANIA
 COMBINING STATEMENT OF ACTIVITIES
 DISCRETELY PRESENTED COMPONENT UNITS
 FOR THE YEAR ENDED DECEMBER 31, 2020

| | <u>Indiana County Municipal Services Authority</u> | <u>Highridge Water Authority</u> | <u>Total Component Units</u> |
|---|--|--------------------------------------|--------------------------------------|
| Operating Revenues | | | |
| Charges for services | \$ 7,435,487 | \$ 3,070,829 | \$ 10,506,316 |
| Other revenue | <u>7,812</u> | <u>650,334</u> | <u>658,146</u> |
| Total Operating Revenues | <u>7,443,299</u> | <u>3,721,163</u> | <u>11,164,462</u> |
| Operating Expenses | | | |
| General and administration | 450,734 | 613,869 | 1,064,603 |
| Operating costs | 3,581,806 | 1,599,894 | 5,181,700 |
| Depreciation and amortization | <u>3,792,071</u> | <u>1,404,609</u> | <u>5,196,680</u> |
| Total Operating Expenses | <u>7,824,611</u> | <u>3,618,372</u> | <u>11,442,983</u> |
| Operating Income | <u>(381,312)</u> | <u>102,791</u> | <u>(278,521)</u> |
| Nonoperating Revenues (Expenses) | | | |
| Interest Income | 16,375 | 5,095 | 21,470 |
| Tap fees | - | 22,959 | 22,959 |
| Amorization of bond discount and issuance costs | (12,668) | (17,320) | (29,988) |
| Loss on diposal of assets | - | (39) | (39) |
| Interest expense | (705,334) | (202,305) | (907,639) |
| Gain on sale of asset | 21,671 | 9,938 | 31,609 |
| Grants for construction | <u>2,293,206</u> | <u>-</u> | <u>2,293,206</u> |
| Total Nonoperating Revenues (Expenses) | <u>1,613,250</u> | <u>(181,672)</u> | <u>1,431,578</u> |
| Changes in Net Position | <u>1,231,938</u> | <u>(78,881)</u> | <u>1,153,057</u> |
| Net Position - Beginning of Year | <u>43,652,304</u> | <u>21,577,112</u> | <u>65,229,416</u> |
| Net Position - End of Year | <u>\$ 44,884,242</u> | <u>\$ 21,498,231</u> | <u>\$ 66,382,473</u> |